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**Fifth Supplemental Indenture**

between

ALASKA STUDENT LOAN CORPORATION

and

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

Dated as of May 1, 2006

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## **FIFTH SUPPLEMENTAL INDENTURE**

THIS FIFTH SUPPLEMENTAL INDENTURE, made and entered into as of May 1, 2006, by and between the ALASKA STUDENT LOAN CORPORATION, a public corporation and government instrumentality created and existing under the laws of the State of Alaska (herein called the "Corporation"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States, as Trustee (herein called the "Trustee").

### **W I T N E S S E T H:**

WHEREAS, the Corporation and Zions First National Bank, as predecessor trustee, entered into a Master Indenture dated as of June 1, 2002 (the "Master Indenture" and, together with this Fifth Supplemental Indenture, the "Indenture") to secure issues of the Corporation's Education Loan Revenue Bonds; and

WHEREAS, under the terms of the Master Indenture, the Corporation and the Trustee may enter into a supplemental indenture from time to time to authorize the issuance of a Series of the Corporation's Education Loan Revenue Bonds; and

WHEREAS, it is the purpose of this Fifth Supplemental Indenture to authorize the issuance of the Corporation's Education Loan Revenue Bonds in two series, consisting of \$30,000,000 principal amount of Senior Series 2006A-1 (the "2006A-1 Bonds") and \$55,000,000 principal amount of Senior Series 2006A-2 Bonds (the "2006A-2 Bonds," and together with the 2006A-1 Bonds, the "2006 Bonds"); and

WHEREAS, the Corporation is authorized to issue the 2006 Bonds for the purpose, among other things, of acquiring or funding Education Loans, as defined in the Master Indenture; and

WHEREAS, the proceeds of the 2006A-1 Bonds will be used to (i) finance the purchase of eligible education loans; (ii) make a Capital Reserve Fund deposit; and (iii) pay costs of issuance allocable to the 2006A-1 Bonds; and

WHEREAS, the proceeds of the 2006A-2 Bonds will be used to (i) finance the purchase of eligible education loans; (ii) make a Capital Reserve Fund deposit; and (iii) pay costs of issuance allocable to the 2006A-2 Bonds; and

WHEREAS, all conditions, things, and acts required by the Constitution and statutes of the State of Alaska to exist, happen, and be performed precedent to and in connection with the issuance of the 2006 Bonds exist, have happened, and have been performed in due time, form, and manner as required by law, and the Corporation is now duly authorized and empowered, pursuant to each and every requirement of law,

to issue the 2006 Bonds for the purpose, in the manner, and upon the terms herein and in the Master Indenture provided; and

WHEREAS, in order to provide for the authentication and delivery of the 2006 Bonds, to establish and declare the terms and conditions upon which the 2006 Bonds are to be issued and secured, and to secure the payment of the principal thereof and of the interest thereon, the Corporation has authorized the execution and delivery of this Fifth Supplemental Indenture; and

WHEREAS, the 2006 Bonds and the Trustee's certificate of authentication are to be in substantially the forms presented in Exhibit B, Exhibit C and Exhibit D hereto with such insertions or variations as to any redemption or amortization provisions and interest rate provisions, and with such other necessary or appropriate variations, omissions, and insertions, as the Corporation's Chair or Executive Officer may approve and as may be permitted or required by the Master Indenture or this Fifth Supplemental Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the 2006 Bonds, when executed and duly issued by the Corporation and authenticated and delivered by the Trustee, the valid, binding, and legal obligations of the Corporation and to constitute the Master Indenture and this Fifth Supplemental Indenture a valid and binding agreements for the uses and purposes therein and herein set forth, in accordance with their terms, have been done and taken; and the execution and delivery of the Master Indenture and this Fifth Supplemental Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS FIFTH SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest on, all 2006 Bonds at any time issued and outstanding under this Fifth Supplemental Indenture, according to their tenor, and to secure the performance and observance of all the covenants therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2006 Bonds are to be issued and received, and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2006 Bonds by the holders thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Corporation covenants and agrees with the Trustee, for the benefit of the respective holders from time to time of the 2006 Bonds, as follows:

## ARTICLE I DEFINITIONS

Section 101 - Definitions. In this Fifth Supplemental Indenture, unless the context otherwise requires, the following words and terms shall have the meanings set forth in this Section:

"Acquisition Period Termination Date" shall mean May 1, 2009, or such earlier date that the Corporation identifies in a writing to the Trustee as the date after which it no longer reasonably expects to acquire or originate Education Loans from amounts deposited in the 2006 Series Account pursuant to Section 402; provided, however, that the Corporation may establish a date later than May 1, 2009, as the Acquisition Period Termination Date if it files with the Trustee a Rating Confirmation reflecting such later date.

"Alternative Loans" shall mean any Education Loan which is not a Guaranteed Loan.

"Auction Rate" shall mean a rate of interest determined in accordance with Exhibit A.

"Auction Rate Bond" shall mean a 2006 Bond that bears interest at an Auction Rate.

"Authorized Denomination" shall mean \$100,000 or any integral thereof for Auction Rate Bonds, and \$5,000 or integral multiples thereof for Non-Auction Rate Bonds.

"Beneficial Owner" shall mean either the person in whose name a 2006 Bond is recorded as the beneficial owner of such 2006 Bond by the respective systems of DTC Participants or, if the 2006 Bond is not then registered in the name of Cede & Co. and held in the Book Entry System, the Bondholder of the 2006 Bond.

"Book Entry System" shall mean the system in which the 2006 Bonds (represented by one 2006 Bond certificate for each maturity of each Series of the 2006 Bonds) are delivered into the possession of DTC and are issued and fully registered as to principal and interest in the name of Cede & Co., and whereby beneficial interests in the 2006 Bonds are purchased by investors through DTC Participants, such interests shown and transfers thereof effected only through the records maintained by the respective DTC Participants from whom each such investor acquired such beneficial interest.

"Capital Reserve Requirement" shall mean Eligible Capital Reserve Assets in a principal amount at least equal to 2% of the principal amount of Bonds Outstanding but in no event less than \$500,000.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the 2006 Bonds.

"Closing Date" shall mean May 25, 2006.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate dated as of May 25, 2006, as originally executed and as it may be amended from time to time in accordance with its terms.

"DTC" shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"DTC Participants" shall mean trust companies, banks, brokers, dealers, clearing corporations, and certain other organizations that are participants of DTC.

"Eligible Capital Reserve Assets" shall mean (i) cash, (ii) Investment Securities, (iii) a non-cancelable surety bond issued by an insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) which insurance company or companies, as of the time of issuance of such surety bond, is rated in the highest rating category by any Rating Agency and if the Corporation files with the Trustee a Rating Confirmation reflecting such surety bond, and (iv) an irrevocable letter of credit issued by a financial institution which maintains an office, agency or branch in the United States and, as of the time of issuance of such letter of credit, is rated in one of the two highest long-term rating categories by one or more of the Rating Agencies, but only if the Corporation files with the Trustee a Rating Confirmation reflecting such letter of credit.

"Excess Interest" shall mean, as of the date of computation, the smallest amount that would reduce the yield on the 2006 Education Loans to a yield that is not higher than the yield on the 2006 Bonds plus the Permitted Spread. For purposes of this definition only, yield on the 2006 Bonds and yield on the 2006 Education Loans shall be calculated in accordance with §§1.148-4 and 1.148-5, respectively, of the Regulations or other applicable Code or Regulation sections.

"Excess Interest Calculation Date" shall mean a date no later than the tenth anniversary date of the delivery of the 2006 Bonds and every five years thereafter, or such other date as may be permitted under the applicable Regulations, and the day upon which the last 2006 Bond is retired.

"Fifth Supplemental Indenture" shall mean the Fifth Supplemental Indenture dated as of May 1, 2006, and authorized pursuant to the Master Indenture.

"First Supplemental Indenture" shall mean the First Supplemental Indenture dated as of June 1, 2002, and authorized pursuant to the Master Indenture.

"First Unallocated Account" shall mean the First Unallocated Account created in the First Supplemental Indenture.

"Fitch" shall mean Fitch Ratings or any successor thereto.

"Fourth Supplemental Indenture" shall mean the Fourth Supplemental Indenture dated as of July 1, 2005, and authorized pursuant to the Master Indenture.

"Interest Payment Date" shall mean each June 1 and December 1, commencing December 1, 2006, or such other dates as may be established pursuant to Exhibit A.

"Investment Securities" for all purposes other than (i) investments in escrow accounts and (ii) investing, and receiving credit for, accrued and capitalized interest shall mean:

- (a) (i) direct general obligations of, or obligations fully and unconditionally guaranteed as to the timely payment of principal and interest by, the United States or any agency or instrumentality thereof, provided such obligations are backed by the full faith and credit of the United States; or (ii) FHA debentures, Freddie Mac senior debt obligations, Federal Home Loan Bank consolidated senior debt obligations, Federal Farm Credit Bank consolidated senior debt obligations, and Fannie Mae senior debt obligations, but excluding any of such securities whose terms do not provide for payment of a fixed dollar amount upon maturity or call for redemption;
- (b) obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America:
  - United States Export-Import Bank (Eximbank)
  - Farm Credit System Financial Assistance Corporation
  - Rural Economic Community Development Administration (formerly



- known as Farmers Home Administration)
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration
- Federal Financing Bank;

- (c) U.S. Dollar denominated deposit accounts, federal funds, and bankers' acceptances with domestic commercial banks (including any affiliate of the Trustee) which have a rating on their short term certificates of deposit on the date of purchase of "A-1+" by Standard & Poor's and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (for purposes of this definition, the rating of a holding company shall not be considered the rating of any bank held by such holding company);
- (d) commercial paper which is rated at the time of purchase "A-1+" by Standard & Poor's and "P-1" by Moody's;
- (e) investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's and "Aaa" by Moody's, including money market funds from which the Trustee or its affiliate derives a fee for investment advisory or other services to the fund;
- (f) guaranteed investment contracts or investment agreements (including repurchase agreements), secured by collateral or unsecured as the Corporation may determine, which may be entered into by and among the Corporation, the Trustee and any bank, bank holding company, corporation or any other financial institution whose outstanding (a) commercial paper is rated "P-1" by Moody's and "A-1+" by Standard & Poor's for agreements or contracts with a maturity of 12 months or less, (b) unsecured long-term debt is rated "Aa3" or higher by Moody's and "AA-" or higher by Standard & Poor's and, if commercial paper is outstanding, commercial paper which is rated "P-1" by Moody's and "A-1+" by Standard & Poor's for agreements or contracts with a maturity of 24 months or less, but more than 12 months, or (c) unsecured long-term debt which is rated "Aa3" or higher by Moody's and "AA-" or higher by Standard & Poor's and, if commercial paper is outstanding, commercial paper which is rated "P-1" by Moody's and "A-1+" by Standard & Poor's for agreements or contracts with a maturity of more than 24 months, or, in each case, by an insurance company whose claims paying ability is so rated;

- (g) general obligations of any state or municipality with a rating of "Aaa" by Moody's and "AAA" by Standard & Poor's;
- (h) any other investment, investment agreement or guaranteed investment contract approved in writing by the Rating Agencies.

"Letter of Representations" shall mean the Blanket Letter of Representations dated July 26, 1995, from the Corporation to DTC, which shall be the binding obligation of the Corporation.

"Long-Term Rate" shall have the meaning provided in Exhibit E hereto.

"Master Indenture" shall mean the Indenture between the Corporation and Zions First National Bank, as predecessor trustee, dated as of June 1, 2002, and securing the Corporation's Education Loan Revenue Bonds.

"Moody's" shall mean Moody's Investors Service Inc., or any successor thereto.

"Non-Auction Rate" shall mean a rate of interest determined in accordance with Exhibit E.

"Non-Auction Rate Bond" shall mean a 2006 Bond that bears interest at a Non-Auction Rate.

"Payment Date" shall mean any Interest Payment Date and any other date on which a payment of principal of or interest on the 2006 Bonds is due hereunder or under the Master Indenture.

"Prior Indenture" shall mean that indenture entered into between the Alaska Student Loan Corporation and U.S. Bank National Association, successor to Seattle-First National Bank, dated as of May 1, 1988, and all supplemental and amending indentures thereto.

"Prior Trustee" shall mean the trustee under the Prior Indenture.

"Purchaser" shall mean RBC Dain Rauscher Inc., doing business under the trade name RBC Capital Markets, as the purchaser of the 2006 Bonds under the Bond Purchase Agreement dated May 23, 2006, relating to the sale of the 2006A-1 Bonds, and under the Bond Purchase Agreement dated May 16, 2006, relating to the sale of the 2006A-2 Bonds.

"Record Date," with respect to any 2006 Bond bearing interest at an Auction Rate, shall have the meaning set forth in Exhibit A and, with respect to any 2006 Bond bearing interest at a Non-Auction Rate, shall have the meaning set forth in Exhibit E.

"Recycling Termination Date" shall mean January 1, 2011 for Alternative Loans and January 1, 2011 for Guaranteed Loans for all purposes of the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture and this Fifth Supplemental Indenture; provided, however, the Corporation may establish later Recycling Termination Dates under the terms of each supplemental indenture for either, or both, the Alternative Loans or the Guaranteed Loans of each series if it files with the Trustee a Rating Confirmation reflecting such later date.

"Regulations" shall mean the regulations adopted under the Code.

"Reset Auction Mode Securities" shall mean the 2006A-1 Bonds while they bear interest at Auction Rates as provided in Exhibit A.

"Second Supplemental Indenture" shall mean the Second Supplemental Indenture dated as of June 1, 2003, and authorized pursuant to the Master Indenture.

"Standard & Poor's" shall mean Standard & Poor's Ratings Group or any successor thereto.

"Supplemental Indenture" shall mean this Fifth Supplemental Indenture.

"Third Supplemental Indenture" shall mean the Third Supplemental Indenture dated as of April 1, 2004, and authorized pursuant to the Master Indenture.

"Trustee" shall mean U.S. Bank National Association, as successor trustee.

"2006 Bonds" shall mean the 2006A-1 Bonds and the 2006A-2 Bonds.

"2006A-1 Bonds" shall mean the Corporation's \$30,000,000 Education Loan Revenue Bonds, Senior Series 2006A-1.

"2006A-2 Bonds" shall mean the Corporation's \$55,000,000 Education Loan Revenue Bonds, Senior Series 2006A-2.

"2006 Education Loans" shall mean Education Loans financed with original proceeds of the 2006 Bonds or otherwise allocable to the 2006 Bonds for purposes of calculating Excess Interest pursuant to the Code and Regulations.

"2006 Series Account" shall mean the 2006 Series Account created in Section 201 hereof.

Unless otherwise expressly provided herein, capitalized terms used herein shall have the meanings assigned to them in the Master Indenture.

Section 102 - Conflict with Master Indenture. In the event of a conflict between the provisions of this Fifth Supplemental Indenture and the Master Indenture or any other supplemental indenture, the provisions of this Fifth Supplemental Indenture shall govern for so long as any of the 2006 Bonds remain Outstanding (except as may be otherwise provided herein).

## ARTICLE II AUTHORIZATION, TERMS AND ISSUANCE

Section 201 - Authorization, Principal Amount, Designation, and Series; Creation of Funds and Accounts. (A) Pursuant to the provisions of the Master Indenture, a Series of Bonds entitled to the benefit, protection and security of the Master Indenture is hereby authorized in the aggregate principal amount of \$30,000,000 and shall be designated as and shall be distinguished from the Bonds of all other Series by the title, "Education Loan Revenue Bonds, Senior Series 2006A-1". The 2006A-1 Bonds shall be Class I Bonds for purposes of the Master Indenture. As provided in Section 4.01 of Exhibit A, such Class may change upon conversion to Non-Auction Rate Bonds. The Corporation is of the opinion and hereby determines that the issuance of the 2006A-1 Bonds in said amount is necessary to provide sufficient funds to be used and expended for the Corporation's program of acquiring Education Loans under the Act. The 2006A-1 Bonds may be issued only in fully registered form.

(B) Pursuant to the provisions of the Master Indenture, a Series of Bonds entitled to the benefit, protection and security of the Master Indenture is hereby authorized in the aggregate principal amount of \$55,000,000 and shall be designated as and shall be distinguished from the Bonds of all other Series by the title, "Education Loan Revenue Bonds, Senior Series 2006A-2". The 2006A-2 Bonds shall be Class I Bonds for purposes of the Master Indenture. The Corporation is of the opinion and hereby determines that the issuance of the 2006A-2 Bonds in said amounts is necessary to provide sufficient funds to be used and expended for the Corporation's program of acquiring Education Loans under the Act. The 2006A-2 Bonds may be issued only in fully registered form.

(C) There is hereby created in connection with the issuance of the 2006A-1 Bonds and the 2006A-2 Bonds, the 2006 Series Account. The 2006 Series Account is a Series Account held within the Education Loan Fund as provided in Section 501 of the Master Indenture.

(D) At any time the Corporation may direct the Trustee to create an Unallocated Account or a subaccount within the First Unallocated Account and, at the direction of the Corporation, shall transfer amounts held hereunder to such Unallocated Account or subaccount in accordance with the terms of the Master Indenture for the purpose of funding a program for making education grants. As of the date of this Fifth Supplemental Indenture the Corporation has not created such a program but may elect to do so in the future as the Act permits.

Section 202 - Purpose. The 2006 Bonds are being issued for the purpose of providing acquisition monies for the purchase of eligible student loans.

Section 203 - Date, Maturities and Interest Rates; Other Terms. (A) The 2006A-1 Bonds shall be dated the date of initial authentication and delivery thereof and shall (unless and until converted to a Non-Auction Rate) bear interest at the Auction Rate described in Exhibit A hereto. The Bonds shall bear interest from the date thereof (or from the most recent Interest Payment Date to which interest has been paid) payable on each Interest Payment Date until final payment of the principal or redemption price thereof shall have been made in accordance with the provisions hereof, whether at maturity, upon redemption or otherwise.

(B) The 2006A-2 Bonds shall be dated the date of initial authentication and delivery thereof and shall bear interest with respect to each such maturity date at the rate per annum set forth below opposite such maturity payable on each June 1 and December 1, commencing December 1, 2006:

<u>Due June 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Due June 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2009	\$3,000,000	5.00%	2014	\$6,000,000	5.00%
2010	3,500,000	5.00	2015	6,500,000	5.00
2011	5,500,000	5.00	2016	6,500,000	5.00
2012	5,500,000	5.00	2017	6,500,000	5.00
2013	5,500,000	5.00	2018	6,500,000	5.00

(C) The 2006A-1 Bonds shall mature on June 1, 2040 (subject to redemption prior to maturity as described in Article VI hereof) and shall be payable as described in Exhibit A. If the 2006A-1 Bonds are converted to Non-Auction Rate Bonds, the 2006A-1 Bonds shall bear interest, be payable, and be subject to other terms as described in Exhibit E. The Corporation may not convert the 2006A-1 Bonds to Non-Auction Rate Bonds unless the Corporation has filed with the Trustee a Rating Confirmation reflecting such conversion.

(D) Interest on the 2006 Bonds is intended to be excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

Section 204 - Denominations, Numbers, and Letters. (A) The 2006A-1 Bonds shall be issued in the form of fully registered bonds without coupons, in substantially the form set forth in Exhibit B. Upon conversion to Non-Auction Rate Bonds, the 2006A-1 Bonds shall be in the form set forth in Exhibit C. Prior to conversion of the 2006A-1 Bonds, such 2006A-1 Bonds shall be issued as fully-registered bonds in Authorized Denominations. From and after conversion, the related converted Series 2006A-1 Bonds shall be issuable as fully-registered bonds in denominations of \$5,000 and integral multiples thereof, and shall be numbered separately from 1 upward preceded by the letter R prefixed to the number.

(B) The 2006A-2 Bonds shall be issued in the form of fully registered bonds without coupons, in substantially the form set forth in Exhibit D. The 2006A-2 Bonds shall be issued in Authorized Denominations and shall be numbered separately from 1 upward preceded by the letter R prefixed to the number.

Section 205 - Paying Agents; Method of Payment. (A) The Trustee is hereby appointed the Paying Agent for the 2006 Bonds pursuant to Section 1102 of the Master Indenture.

(B) While the 2006 Bonds are held in the Book Entry System, payment of principal thereof and interest thereon shall be made by wire transfer of same day funds or in such other manner as permitted by the Letter of Representations to the account of Cede & Co. on the Payment Date at the address indicated for Cede & Co. in the bond register kept by the Trustee.

(C) While the 2006 Bonds are not held in the Book Entry System, principal of and interest on the 2006 Bonds shall be paid by mailing a check on the Payment Date on which such principal or interest is due, payable to or upon the written order of the Bondholders, as of each Record Date, of the 2006 Bonds at their addresses as they appear on the bond register; provided, however, that (i) any such Bondholder may request such payment in person at the principal corporate trust office of the Trustee on any Payment Date if such Bondholder notifies the Trustee in writing not later than 30 days before such Interest Payment Date of such Bondholder's election so to receive such payment of interest; and (ii) a registered owner of \$1,000,000 or more in principal amount of the 2006 Bonds shall be paid interest by wire transfer to an account in the United States if such Bondholder makes a written request to the Trustee at least 30 days before the Interest Payment Date on which such wire transfer payments are to begin specifying the account address.

(D) All payments under (B) or (C) of this Section shall be accompanied by CUSIP number identification (with appropriate dollar amount of payment pertaining to each CUSIP number in case there is more than one CUSIP number in connection with a payment) for the 2006 Bonds to which the payment pertains. Payment of principal

of the 2006 Bonds under (B) or (C) of this Section shall be made when due upon presentation and surrender of the 2006 Bonds to which such payment pertains at the principal corporate trust office of the Trustee in St. Paul, Minnesota, or at such other location as directed by the Trustee.

(E) For purposes of paragraphs Fourth and Fifth of Section 503(C) of the Master Indenture, in determining the amounts to be paid into the Principal Account pursuant to said paragraphs, the Trustee shall pay such amounts into such Account at the time or times directed in writing by the Corporation but in no event less than one Business Day before such amounts are required for the payment of principal of the Bonds.

Section 206 - Book Entry 2006 Bonds. (A) So long as the 2006 Bonds are held in the Book Entry System the holder of all of the 2006 Bonds shall be DTC, and the 2006 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Letter of Representations is incorporated herein by reference.

(B) The 2006 Bonds shall be initially issued in the form of a single fully registered certificate in the amount of each separate stated maturity of the 2006 Bonds. Upon initial issuance, the ownership of such 2006 Bonds shall be registered in the registry books of the Corporation kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee and the Corporation may treat DTC (or its nominee) as the sole and exclusive holder of the 2006 Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the 2006 Bonds, selecting the 2006 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Master Indenture, registering the transfer of 2006 Bonds, and obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Trustee nor the Corporation shall be affected by any notice to the contrary. Neither the Trustee nor the Corporation shall have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the 2006 Bonds under or through DTC or any DTC Participant, or any other person not shown on the registration books kept by the Trustee as being a Bondholder, with respect to the accuracy of any records maintained by DTC or any DTC Participant; the payment by DTC or any DTC Participant of any amount in respect of the principal or Redemption Price of or interest on the 2006 Bonds; any notice permitted or required to be given to Bondholders under the Master Indenture; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the 2006 Bonds; or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay from moneys available hereunder all principal of and premium, if any, and interest on the 2006 Bonds only to or "upon the order of" DTC (as that term is used in the Uniform Commercial Code as adopted in the State), and all such payments shall be valid and effective to fully satisfy and discharge the Corporation's obligations with respect to the principal of

and premium, if any, and interest on the 2006 Bonds to the extent of the sum or sums so paid. So long as the 2006 Bonds are held in the Book Entry System, no person other than DTC shall receive an authenticated 2006 Bond certificate. Upon delivery by DTC to the Trustee of DTC's written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of the Master Indenture and this Fifth Supplemental Indenture with respect to transfers of 2006 Bonds, the term "Cede & Co." in this Fifth Supplemental Indenture shall refer to such new nominee of DTC.

Section 207 - Delivery of 2006 Bond Certificates. At any time, the Corporation may notify DTC and the Trustee, whereupon DTC will notify the DTC Participants, of the availability through DTC of 2006 Bond certificates. In such event, the Trustee shall issue, transfer, and exchange, at the Corporation's expense, fully registered 2006 Bond certificates as requested in writing by DTC in appropriate amounts. DTC may determine to discontinue providing its services with respect to the 2006 Bonds at any time by giving written notice to the Corporation and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if no successor securities depositary is appointed by the Corporation), the Corporation and the Trustee shall be obligated to deliver 2006 Bond certificates as described in the Master Indenture and this Fifth Supplemental Indenture, provided that the expenses in connection therewith shall be paid by the Corporation. In the event 2006 Bond certificates are issued, the provisions of the Master Indenture and this Fifth Supplemental Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and premium, if any, and interest on such certificates. Whenever DTC requests the Corporation to do so, the Corporation will cooperate with DTC in taking appropriate action after written notice (a) to make available one or more separate certificates evidencing the 2006 Bonds to any DTC Participant having 2006 Bonds credited to its DTC account or (b) to arrange for another securities depositary to maintain custody of certificates evidencing the 2006 Bonds.



### ARTICLE III EXECUTION AND DELIVERY

Section 301 - Execution. The 2006 Bonds shall be executed by the manual or facsimile signature of the Chair, Executive Officer, or Finance Officer of the Corporation, with such signature attested by the manual or facsimile signature of an Authorized Officer, and the seal of the Corporation (or a facsimile thereof) shall be affixed, engraved, imprinted, or otherwise reproduced thereon.

Section 302 - Delivery. After their execution as hereinabove provided, the 2006 Bonds to be delivered to the Purchaser shall be authenticated by the Trustee and, upon satisfaction of the conditions contained in the Master Indenture, shall be delivered to the Purchaser.

### ARTICLE IV DISPOSITION OF PROCEEDS

Section 401 - Capital Reserve Fund. (A) On the Closing Date, the Corporation shall cause the Trustee to deposit \$1,700,000 from the proceeds of sale of the 2006 Bonds in the Capital Reserve Fund.

(B) The Corporation may, at any time, satisfy the Capital Reserve Requirement by depositing into the Capital Reserve Fund, either in addition to other assets then in the Capital Reserve Fund or in replacement thereof, Eligible Capital Reserve Assets.

Section 402 - Series Account. On the Closing Date, the Corporation shall cause the Trustee to deposit \$85,458,660 from proceeds of sale of the Bonds into the 2006 Series Account.

Section 403 - Initial Acquisition Period and Recycling Limitations and Temporary Deposits of 2006 Series Account Money. (A) On and after the Recycling Termination Date, the Trustee shall not make any deposits of remaining Pledged Receipts derived from Education Loans held in the 2006 Series Account or Education Loans held in the First Unallocated Account unless the Corporation shall have delivered to the Trustee a Rating Confirmation reflecting such deposits with a new Recycling Termination Date.

(B) The Trustee shall transfer proceeds of the 2006 Bonds remaining in the 2006 Series Account on the Acquisition Period Termination Date to the Redemption Account and shall apply such amounts to the redemption of 2006 Bonds pursuant to Section 601 or Section 602 herein.

(C) At the direction of the Corporation, the Trustee shall transfer, to an institution identified by the Corporation, amounts held in the 2006 Series Account which will then be used to make Education Loans. All amounts transferred to such institution pursuant to the preceding sentence shall be (i) invested only in Investment Securities unless the Corporation certifies that Excess Coverage will exist immediately following such transfer, and (ii) used to make Education Loans.

## ARTICLE V TAX MATTERS

Section 501 - Rebate Procedures. (A) For purposes of complying with the arbitrage rebate requirements of Section 148 of the Code and Section 1.148-3 of the Regulations, the Corporation or its designee shall calculate rebatable arbitrage in accordance with this Section and shall assure payment, or shall provide written direction to the Trustee to pay (but, with respect to the Trustee, only from amounts in Funds and Accounts as provided in the Master Indenture or this Fifth Supplemental Indenture or, if such amounts are insufficient or unavailable for such purpose, from amounts delivered for such purpose to the Trustee from the Corporation), such rebatable arbitrage to the United States in accordance with this Section. The Trustee shall not be responsible for calculating rebate amounts, for the adequacy or correctness of any rebate reports, or for enforcing compliance with rebate filing or reprinting requirements.

(B) The Corporation shall calculate and pay, or cause to be calculated and paid, the rebatable arbitrage described in (A) of this Section in the manner, at the times, and otherwise in accordance with the procedures set forth in Section 1.148-3 of the Regulations. The Corporation shall pay the rebatable arbitrage not less often than every fifth anniversary date of the delivery of the 2006 Bonds or such other date as may be permitted under the applicable Regulations until all of the 2006 Bonds have been discharged within the meaning of the Regulations.

(C) The Corporation covenants that it will engage professionally competent advisors recognized in the field of municipal finance and arbitrage rebate computation to assist it in complying with the arbitrage rebate computations required by Section 148 of the Code and by this Section.

Section 502 - Excess Interest Fund. No later than forty-five days after each Excess Interest Calculation Date, the Corporation shall determine, or cause to be determined, for the 2006 Bonds the Excess Interest applicable to the 2006 Bonds. If any such Excess Interest exists, the Corporation shall provide written direction to the Trustee to establish an Excess Interest Fund and to transfer an amount equal to such Excess Interest from the Revenue Fund pursuant to Section 503(C) of the Master Indenture. Unless the Corporation obtains an opinion of Bond Counsel to the effect

that such payments are not required in order to preserve the exclusion from gross income of interest on the 2006 Bonds, the Corporation shall direct the Trustee to withdraw from the Excess Interest Fund, and remit to the United States, Yield Reduction Payments in such manner and amounts and on such dates as may be required or permitted by Section 148 of the Code and Section 1.148-5(c) of the Regulations, or other applicable Code and Regulation provisions.

Section 503 - RESERVED.

Section 504 - Tax Covenants. (A) The Corporation shall not directly or indirectly use, permit or direct the use of any proceeds of the 2006 Bonds or any other funds of the Corporation or take or omit to take any action that would cause the 2006 Bonds to be "arbitrage bonds" within the meaning of section 148(a) of the Code and Regulations promulgated thereunder. To that end, the Corporation will comply with all requirements of Section 148 of the Code to the extent applicable to the 2006 Bonds. In the event that for purposes of this Section 504 it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under the Master Indenture, the Corporation shall so instruct the Trustee in writing, and the Trustee shall take such action as directed. The Corporation specifically covenants that the Corporation will pay or cause to be paid to the United States at the times and in the amounts determined under this Fifth Supplemental Indenture the rebate amounts described herein. The Corporation further covenants and agrees that it will take all action necessary to assure that interest on the 2006 Bonds shall be excludable from gross income for purposes of federal income taxation.

(B) Terms used in this Section and not otherwise defined herein shall have the meanings assigned to such terms under the Code and Regulations.

ARTICLE VI  
REDEMPTION

Section 601 - Optional Redemption of 2006 Bonds. (A) While the 2006A-1 Bonds bear interest at an Auction Rate or at a Non-Auction Rate, such 2006 Bonds are subject to redemption at the option of the Corporation from any source of funds in whole or in part on any date at a redemption price equal to the principal amount of such 2006A-1 Bond being redeemed, plus accrued interest, if any, to the redemption date.

(B) The 2006A-2 Bonds maturing prior to June 1, 2017 are not subject to redemption prior to maturity. The 2006A-2 Bonds maturing on or after June 1, 2017, are subject to redemption at the option of the Corporation on or after June 1, 2016, in whole or in part on any date, in increments of \$5,000, with maturities to be selected by the Corporation, at a price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date of redemption.

(C) At the time any 2006A-1 Bonds are converted to bear interest at a Long-Term Rate, the Corporation shall establish optional redemption provisions for such 2006A-1 Bonds and shall deliver a Certificate to the Trustee setting forth such optional redemption provisions.

(D) The Corporation shall not exercise an optional redemption privilege under this Section for less than all of the 2006A-1 Bonds Outstanding unless either (i) coverage ratios at least equal to the coverage ratios described in the definition of "Excess Coverage" in the Master Indenture will exist immediately following such optional redemption or (ii) the Corporation provides the Trustee a Rating Confirmation.

Section 602 - Special Optional Redemption; Additional Redemption Provisions.

(A) After the Acquisition Period Termination Date and while they bear interest at a Long-Term Rate, the 2006A-1 Bonds are subject to redemption at the option of the Corporation in whole or in part on any date from moneys on deposit in the 2006 Series Accounts at a redemption price equal to the principal amount of such 2006 Bonds being redeemed, plus accrued interest, if any, to the redemption date.

(B) After the Recycling Termination Date and while they bear interest at a Long-Term Rate, the 2006A-1 Bonds are subject to redemption at the option of the Corporation in whole or in part on any date, from moneys held in the funds and accounts established under the Indenture which are not otherwise available or expected to be used to acquire Education Loans, at a price equal to the principal amount of such 2006A-1 Bonds being redeemed, plus accrued interest, if any; provided, however, that the 2006A-1 Bonds shall not be so redeemed from moneys derived from the voluntary sale, assignment or disposition of Education Loans by the Corporation for such purpose.

(C) In addition to the redemption provisions set forth in Sections 601 and in (A) and (B) of this Section, the 2006A-1 Bonds may become subject to redemption at such times and under such circumstances as permitted or required pursuant to Exhibit A or Exhibit E hereto. The Corporation shall give written notice to the Trustee of any such redemption provision created pursuant to said Exhibits after the Closing Date, and, upon delivery of such notice, the 2006 Bonds shall be subject to such redemption provision.

(D) The Corporation shall not exercise an optional redemption privilege under this Section for less than all of the 2006A-1 Bonds Outstanding unless either (i) coverage ratios at least equal to the coverage ratios described in the definition of "Excess Coverage" in the Master Indenture will exist immediately following such optional redemption or (ii) the Corporation provides the Trustee a Rating Confirmation.

Section 603 - Redemption at the Election of the Corporation.(A) In the case of any redemption of 2006 Bonds under Section 601 herein, the Corporation shall at least 30 days prior to the redemption date give written notice to the Trustee of its election so to redeem, of the redemption date, of the principal amounts of the 2006 Bonds of each maturity of each Series to be redeemed (which redemption date, maturities and principal amounts thereof to be redeemed shall be determined by the Corporation in its sole discretion, subject to any limitations with respect thereto contained in the Master Indenture or this Supplemental Indenture), and of any moneys to be applied to the payment of the Redemption Price.

(B) In the case of any redemption of 2006 Bonds under Section 602 herein, the Corporation shall at least 45 days prior to the redemption date give written notice to the Trustee of its election so to redeem, of the redemption date, of the principal amounts of the 2006 Bonds of each maturity of each Series to be redeemed (which redemption date, maturities and principal amounts thereof to be redeemed shall be determined by the Corporation in its sole discretion, subject to any limitations with respect thereto contained in the Master Indenture or this Fifth Supplemental Indenture), and of any moneys to be applied to the payment of the Redemption Price.

Section 604 - Notice of Redemption. When the Trustee shall receive written notice from the Corporation of its election or direction to redeem 2006 Bonds pursuant to Section 601 herein, the Trustee shall give notice in the name of the Corporation of the redemption of such 2006 Bonds as provided in Section 605 of the Master Indenture. The following actions shall be taken by the Trustee with respect to such redemption notice:

(1) At least 30 but not more than 45 days prior to the redemption date, such redemption notice shall be given to the respective owners of the 2006 Bonds designated for redemption, by first class mail, postage prepaid, at their addresses appearing on the Bond Register, and such redemption notice shall be so mailed a second time no more than 60 days after the redemption date to holders of 2006 Bonds who have not turned in their 2006 Bonds to the Trustee for redemption 30 days after the redemption date.

(2) At least one Business Day before a date on which the redemption notice is mailed to the owners pursuant to paragraph (1) above, such redemption notice shall be given by (A) registered or certified mail, postage prepaid, (B) confirmed facsimile transmission, or (C) overnight delivery service, to the following securities depository and to any other securities depository that is a registered owner:

The Depository Trust Company  
Attn: Supervisor, Call Notification Department  
55 Water Street, 50th Floor  
New York, NY 10041-0099  
Telephone Number: (212) 855-7207, 7208 or 7209  
Facsimile Number: (212) 855-7232, 7233, 7234 or 7285

(3) On a date on which the redemption notice is mailed to the owners pursuant to paragraph (1) above, such redemption notice shall be given by (A) registered or certified mail, postage prepaid, (B) overnight delivery service, or (C) first class mail, postage prepaid, to each of the following information services or their successors:

Bloomberg Municipal Repository  
100 Business Park Drive  
Skillman, NJ 08558  
Phone: (609) 279-3225  
Fax: (609) 279-5962  
<http://www.bloomberg.com/markets/rates/municontacts.html>  
Email: [Munis@Bloomberg.com](mailto:Munis@Bloomberg.com)

DPC Data Inc.  
One Executive Drive  
Fort Lee, NJ 07024  
Phone: (201) 346-0701  
Fax: (201) 947-0107  
<http://www.dpcdata.com>  
Email: [nrmsir@dpcdata.com](mailto:nrmsir@dpcdata.com)

FT Interactive Data  
ATTN: NRMSIR  
100 William Street, 15<sup>th</sup> Floor  
New York, NY 10038  
Phone: (212) 771-6999; 800-689-8466  
Fax: (212) 771-7390  
<http://www.ftid.com>  
Email: [NRMSIR@interactivedata.com](mailto:NRMSIR@interactivedata.com)

Standard & Poor's Securities Evaluations, Inc.  
55 Water Street, 45th Floor  
New York, NY 10041  
Phone: (212) 438-4595  
Fax: (212) 438-3975

Any filing required under the terms of the Disclosure Certificate may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org> unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

Neither failure to receive any redemption notice nor any defect in such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of such 2006 Bonds. Failure by the Trustee to deliver such notice of redemption of the 2006 Bonds at the times required herein shall not impair the ability of the Trustee and the Corporation to effect such redemption.

Each check or other transfer of funds issued for the purpose of redeeming any 2006 Bond shall bear or be accompanied by a statement specifying the CUSIP number identifying the 2006 Bonds being redeemed with the proceeds of such check or other transfer. The Trustee shall have no responsibility for a defect in the CUSIP number that appears on any 2006 Bond or in the redemption notice, statement or check. The redemption notice may provide that the CUSIP numbers have been assigned by an independent service and are included in the notice solely for the convenience of Bondholders and that the Trustee and the Corporation shall not be liable in any way for inaccuracies in said numbers.

## ARTICLE VII MISCELLANEOUS

Section 701 - Education Loan Interest Deferral. Chapter 16, Session Laws of Alaska 1988, transfers and appropriates certain Education Loans to the Corporation for the student loan fund established under Section 14.42.210 of the Act. Pursuant to the student loan notes and the statutes and regulations pursuant to which such Education Loans were or are to be made, interest on said Education Loans and on the Education Loans to be acquired with proceeds of the 2006 Bonds will not accrue (or, if accruing, will be payable by the State and not by the borrower) during certain periods as set forth in the statutes and regulations applicable to those Education Loans. Notwithstanding any provisions of the Alaska Statutes which indicate that the State of Alaska will make payment of interest on such Education Loans during such deferral periods and for the period before the beginning of the repayment period of each such Education Loan, the Corporation does not expect to receive any such payments from the State of Alaska, and the State of Alaska cannot be required to make any such payments. In addition, Alaska Statutes have indicated that the State of Alaska will make certain principal payments on behalf of the borrower of an Education Loan in connection with the

forgiveness program; the Corporation does not expect to receive any such payment from the State of Alaska. The Corporation has waived and the Corporation, the Trustee, and the Bondholders (by virtue of their ownership of Bonds) do hereby waive any right to receive any payments described in the preceding sentences from the State of Alaska, and any right to claim that any said payments ever were, are or will be payable by any other party except as expressly provided under the terms of any applicable law, regulation or document.

Section 702 - No Recourse Against Members or Other Persons. No recourse shall be had for the payment of the principal of or interest on the 2006 Bonds or for any claim based thereon or on this Fifth Supplemental Indenture against any member of the Corporation or any person executing the 2006 Bonds, and neither the members of the Corporation nor any person executing the 2006 Bonds shall be liable personally on the 2006 Bonds or be subject to any personal liability or accountability by reason of the execution thereof.

Section 703 - Reports; Future Issues; Continuing Disclosure. (A) As long as Fitch or Standard & Poor's Ratings Group is a Rating Agency with respect to the 2006 Bonds, the Corporation covenants to provide Fitch or Standard & Poor's Ratings Group, respectively, with reasonably requested and required reports concerning the Corporation's finances and operations in a timely manner, provided that the request for any such report is in writing and is specific.

(B) As long as Standard & Poor's Ratings Group is a Rating Agency with respect to the 2006 Bonds, the Corporation covenants to provide Standard & Poor's Ratings Group, prior to all future bond issues under the Master Indenture, with all reasonably required information necessary for Standard & Poor's Ratings Group to review and affirm their rating on the 2006 Bonds.

(C) The Corporation hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Fifth Supplemental Indenture or of the Master Indenture, failure of the Corporation to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Corporation to comply with its obligations under this Section 703(C).

Section 704 - Waiver of Confirmation. Alaska Student Loan Corporation acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the Corporation the right to receive brokerage confirmations of the security transactions as they occur, the Corporation specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will



furnish the Corporation periodic cash transaction statements that include the detail for all investment transactions made by the Trustee hereunder.


Section 705 - Effective Date. This Fifth Supplemental Indenture shall be effective as of the date first above written.

IN WITNESS WHEREOF, THE ALASKA STUDENT LOAN CORPORATION has caused this Fifth Supplemental Indenture to be executed by its Executive Officer, and U.S. BANK NATIONAL ASSOCIATION has caused this Fifth Supplemental Indenture to be executed by an authorized representative, all as of the day and year first above written.

ALASKA STUDENT LOAN CORPORATION

By \_\_\_\_\_  
DIANE BARRANS  
Executive Officer

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_  
GREG E. SKUTNIK  
Assistant Vice President

## **EXHIBIT A**

### **AUCTION RATE PROVISIONS**

Relating to

Alaska Student Loan Corporation  
Education Loan Revenue Bonds  
Senior Series 2006A-1 (the "Bonds")

This Exhibit A shall for all purposes be deemed to be a part of the Fifth Supplemental Indenture to which it is attached.

### **ARTICLE I DEFINITIONS**

Section 1.01. Application of Exhibit A; Definitions. (a) The provisions of this Exhibit A apply to the Bonds from the date of their original issuance and, thereafter, at all times that the Bonds bear interest at an Auction Rate. The provisions of this Exhibit A, except as may otherwise be expressly provided herein, shall be deemed to apply separately and independently to each Series and Subseries, if any, of the Bonds.

(b) Capitalized terms used in this Exhibit A and not otherwise defined herein shall have the meanings ascribed thereto in the Master Indenture dated as of June 1, 2002, between the Alaska Student Loan Corporation and Zions First National Bank, as predecessor Trustee (as amended and supplemented from time to time, the "Indenture"). In addition, the following terms, except where the context indicates otherwise, shall have the respective meanings set forth below:

"AA Composite Commercial Paper Rate" means, as of any date of determination, (A) the Bond Equivalent Yield of the 30-day rate on commercial paper placed on behalf of issuers whose corporate bonds are rated "AA" by S&P, or the equivalent of such rating by a nationally recognized rating agency, as such 30-day rate is made available on a discount basis or otherwise by the Federal Reserve Bank of New York for the Business Day immediately preceding such date of determination, or (B) if the Federal Reserve Bank of New York does not make available any such rate, then the arithmetic average of the Bond Equivalent Yield of the 30-day rate on commercial paper placed on behalf of such issuers, as quoted to the Auction Agent on a discount basis or otherwise, by at least three dealers of commercial paper, or such fewer entities as may then be dealers of commercial paper, as of the close of business on the Business Day immediately preceding such date of determination.

"Affiliate" means any person known to the Auction Agent to be controlled by, in control of or under common control with the Corporation, provided that no Broker Dealer controlled by, in control of or under common control with the Corporation shall

be an Affiliate nor shall any corporation or any person controlled by, in control of or in common control with such corporation be an Affiliate solely because such director or executive officer is also a director of the Corporation.

"After-Tax Equivalent Rate" means, on any Auction Date, the interest rate per annum equal to the product of (i) the AA Composite Commercial Paper Rate on such date and (ii) 1.00 minus the lower of the Statutory Corporate Tax Rate and the Statutory Personal Tax Rate on such date. For purposes of this definition, the term "Statutory Corporate Tax Rate" means, as of any date of determination, the highest tax rate bracket (expressed in decimals) now or hereafter applicable in each taxable year on the taxable income of every corporation as set forth in Section 11 of the Code or any successor section without regard to any minimum additional tax provision or provisions regarding changes in rates during the taxable year, which on the date hereof is .35; and "Statutory Personal Tax Rate" means, as of any date of determination, the highest tax rate bracket (expressed in decimals) now or hereafter applicable in each taxable year on the taxable income of a natural person as set forth in Section 1 of the Code or any successor section without regard to any minimum additional tax provision or provisions regarding changes in rates during a taxable year, which on the date hereof is .396.

"All-Hold Rate" on any date of determination means 90% (as such percentage may be adjusted pursuant to Section 3.09 hereof) of the lesser of (i) the After-Tax Equivalent Rate on such date or (ii) the Kenny Index on such date, in each case rounded down to the nearest one thousandth of 1% (.001); provided, however, that in no event shall the All-Hold Rate be more than the Interest Rate Limitation or less than zero.

"Applicable Number of Business Days" means the greater of two Business Days or one Business Day plus the number of Business Days by which the Auction Date precedes the first day of the next succeeding Auction Period.

"Applicable Percentage" on any date of determination means the percentage determined based on the rating of the Bonds bearing interest at an Auction Rate in effect at the close of business on the Business Day immediately preceding such date, or, if such Bonds are then rated by more than one Rating Agency, based on the lower of such ratings on such Business Day, as set forth below:

<u>Credit Rating</u>		
<u>Moody's Investors Service</u>	<u>Standard &amp; Poor's/ Fitch Ratings</u>	<u>Applicable Percentage</u>
"Aaa"	"AAA"	150%
"Aa" to "Aa1"	"AA-" to "AA+"	150%
"A" to "A1"	"A-" to "A+"	150%
"Baa" to "Baa1"	"BBB-" to "BBB+"	175%
Below "Baa"	Below "BBB-"	200%

as such percentages may be adjusted pursuant to Section 3.09 hereof; provided, that if such Bonds are not then rated by a Rating Agency, or if a Payment Default shall have occurred and be continuing, the Applicable Percentage shall be 200%, as such percentage may be adjusted pursuant to Section 3.09 hereof. For purposes of this definition, Standard & Poor's and Fitch Ratings' rating categories of "AAA," "AA," "A" and "BBB," and Moody's Investors Service's rating categories of "Aaa," "Aa," "A" and "Baa," refer to and include the respective rating categories correlative thereto if any such rating agency has changed, or modified their generic rating categories or if Standard & Poor's or Fitch Ratings no longer rate the Bonds or has been replaced.

"Applicable Spread" means, on any date of determination, the following percentages to be used in the computation of the T-Bill Cap and the CP Cap, as applicable, based on the lowest rating assigned to Bonds bearing interest at an Auction Rate as of such date:

<u>Credit Rating</u>			
<u>Moody's</u> <u>Investors Service</u>	<u>Standard &amp; Poor's/</u> <u>Fitch Ratings</u>	<u>Applicable</u> <u>T-Bill Spread</u>	<u>Applicable</u> <u>CP Spread</u>
"Aaa"	"AAA"	1.25%	0.75%
"Aa"	"AA"	1.25%	0.75%
"A"	"A"	1.25%	0.75%
"Baa"	"BBB"	1.50%	1.00%
Below "Baa"	Below "BBB"	2.00%	1.50%

"Auction" means each periodic implementation of the Auction Procedures.

"Auction Agency Agreement" means any Auction Agency Agreement among the Corporation, the Trustee and an Auction Agent, as from time to time amended or supplemented.

"Auction Agent" means any person designated as such pursuant to Section 7.01 hereof, and its successors and assigns.

"Auction Agent Fee" means the fee to be paid to the Auction Agent for the services rendered by it under the Auction Agency Agreement and the Broker-Dealer Agreement.

"Auction Bond Interest Rate" means each rate of interest per annum borne by any Bonds for each Auction Period and determined in accordance with the provisions of Article III hereof; provided, however, that in the event of a Payment Default, the Auction Bond Interest Rate shall equal the Overdue Rate; and provided further that such Auction Bond Interest Rate shall in no event exceed the Maximum Auction Rate.

"Auction Date" shall mean initially June 21, 2006 (or if such date is not a Business Day, then the immediately preceding Business Day), with respect to the 2006A-1 Bonds, and thereafter, the Business Day immediately preceding the first day of each Interest Period, other than: (i) each Interest Period commencing after the ownership of the RAMS is no longer maintained in book-entry form; (ii) each Interest Period commencing after the occurrence and during the continuance of a Payment Default; or (iii) any Interest Period commencing less than the Applicable Number of Business Days after the cure or waiver of a Payment Default. Notwithstanding the foregoing, the Auction Date for one or more Auction Periods may be changed pursuant to Section 3.07 hereof.

"Auction Period" means each period for which the Auction Bond Interest Rate is determined pursuant to Section 3.02 hereof, which Auction Period initially shall consist generally of 35 days, as the same may be adjusted pursuant to Section 3.06 hereof.

"Auction Procedures" means the procedures set forth in Section 3.02 hereof.

"Auction Rate" means the rate of interest per annum determined for the Bonds pursuant to the implementation of the Auction Procedures.

"Auction Rate Period" means any period during which any Bonds bear interest at an Auction Rate, which period shall commence on the date of issuance of the Bonds or on the effective date of Conversion to an Auction Rate, as the case may be, and shall extend through the day immediately preceding the earlier of (a) the effective date of a Conversion to another Rate Period or (b) the Stated Maturity Date of such Bonds.

"Available Bonds" means Bonds which are not subject to Submitted Hold Orders, as provided in Section 3.02(c)(i)(A) hereof.

"Bid" has the meaning set forth in Section 3.02(a)(i) hereof.

"Bidder" has the meaning set forth in Section 3.02(a)(i) hereof.

"Bond" means any 2006A-1 Bond issued pursuant to the Fifth Supplemental Indenture.

"Bond Equivalent Yield" means, with respect to any security with a maturity of six months or less the rate for which is quoted in The Wall Street Journal on a bank discount basis, the yield calculated in accordance with the following formula and rounded up to the nearest one one-hundredth of one percent:

$$\frac{R \times N}{360 - (R \times D)} \times 100$$

where "R" refers to the interest rate per annum for the security quoted on a bank discount basis expressed as a decimal, "N" refers to 365 or 366 days, as applicable, and "D" refers to the number of days to maturity.

"Broker Dealer" means any broker or dealer (as defined in the Securities Exchange Act of 1934, as amended), commercial bank or other entity permitted by law to perform the functions required of a Broker Dealer set forth in the Auction Procedures that is a Participant (or an affiliate of a Participant), has been selected by the Corporation pursuant to Section 7.03 hereof and has entered into a Broker Dealer Agreement that remains effective.

"Broker Dealer Agreement" means each agreement between the Auction Agent and a Broker Dealer pursuant to which the Broker Dealer agrees to participate in Auctions as set forth in the Auction Procedures, as from time to time amended or supplemented.

"Business Day" means any day other than a Saturday, Sunday or other day on which the New York Stock Exchange or banks are authorized or obligated by law or executive order to close in New York, New York, or in the city in which is located the principal office of the Auction Agent as provided in the Auction Agency Agreement, or, as notified to the Auction Agent in writing, in any city in which is located the principal corporate trust office of the Trustee, the Credit Provider or the liquidity provider, if any, at which demands for a draw on, or borrowing or payment under the Credit Enhancement or liquidity facility will be made.

"Calculation Period" has the meaning set forth in Exhibit E to the Supplemental Indenture.

"Change of Preference Law" means any amendment to the Code or other statute enacted by the Congress of the United States or any temporary, proposed or final regulation promulgated by the United States Treasury after the date hereof which (i) changes or would change any deduction, credit or other allowance allowable in computing liability for any federal tax with respect to, or (ii) imposes or would impose or reduces or would reduce or increases or would increase any federal tax (including, but not limited to, preference or excise taxes) upon, any interest earned by any holder of Tax-Exempt Bonds.

"Code" means the Internal Revenue Code of 1986.

"Conversion" means any conversion of any Bonds (from time to time in accordance with the terms hereof) from one Rate Period to another Rate Period.

"Conversion Date" means the effective date of any Conversion.

"CP Cap" means, for any Auction Date, the rate (for the then current Auction) at which the Quarterly Average Auction Rate equals the Quarterly Average CP Rate plus the Applicable CP Spread, such rate to be determined by the formula:

$$N \times (C + S) - R,$$

where N is the number of Auction Dates which precede the current Auction Date by 91 days or less, including the current Auction Date; C is the Quarterly Average CP Rate, S is the Applicable Spread; and R is the sum of the Auction Rates for Auction Dates preceding the current Auction Date by 91 days or less, excluding the current Auction.

"Daily Rate" has the meaning provided in Exhibit E to the Supplemental Indenture.

"Determination Date" means each Auction Date.

"Existing Owner" means (i) with respect to and for the purpose of dealing with the Auction Agent in connection with an Auction, a Person who is a Broker-Dealer listed in the books of registry at the close of business on the Business Day immediately preceding such Auction and (ii) with respect to and for the purpose of dealing with the Broker-Dealer in connection with an Auction, a Person who is a beneficial owner of Bonds.

"Fifth Supplemental Indenture" means the Fifth Supplemental Indenture dated as of May 1, 2006, and authorized pursuant to the terms of the Indenture.

"Flexible Rate" has the meaning provided in Exhibit E to the Supplemental Indenture.

"Hold Order" has the meaning set forth in Section 3.02(a)(i) hereof.

"Initial Auction Period" means any period commencing on the date of issuance of Bonds or the date of Conversion of Bonds to an Auction Rate and ending on the day after the first Auction Date following such issuance or Conversion.

"Interest Payment Date" means any date upon which interest on any Bonds is payable in accordance with the terms of the Bonds and the terms of the Indenture or the Supplemental Indenture.

"Interest Period" means any Auction Period.



"Interest Rate Limitation" means the maximum rate of interest allowable by applicable law or, if less, 14%.

"Kenny Index" means the index most recently made available by Kenny S&P Evaluation Services ("Kenny") or any successor thereto (the "Indexing Agent") based upon 30 day yield evaluations at par of securities, the interest on which is excluded from gross income for federal income tax purposes under the Code, of not less than five "Intermediate Grade" component issuers selected by the Indexing Agent which shall include, without limitation, issuers of general obligation bonds. The specific issuers included among the component issuers may be changed from time to time by the Indexing Agent in its discretion. The securities on which the Kenny Index is based shall not include any securities the interest on which is subject to a "minimum tax" or similar tax under the Code, unless all such securities are subject to such tax. In the event that Kenny no longer publishes an index satisfying the above definition of the Kenny Index or the Market Agent reasonably concludes that the Kenny Index will not be announced in a timely manner, then the Market Agent shall announce a rate based upon the same criteria used by Kenny to determine the Kenny Index and the rate announced by the Market Agent for each Auction Date thereafter shall be used in lieu of the Kenny Index for each Auction Date, and such rate announced by the Market Agent shall for all purposes be deemed to be the "Kenny Index" hereunder.

"Market Agent" means any person designated as such pursuant to Section 7.02 hereof, and its successors or assigns.

"Market Agent Agreement" means any Market Agent Agreement between the Trustee and a Market Agent, as from time to time amended or supplemented.

"Maximum Auction Rate" on any date means the lesser of:

- (i) the Applicable Percentage of the greater of (1) the After-Tax Equivalent Rate on such date or (2) the Kenny Index on such date (in either case rounded to the nearest 1/1000 of 1%); or
- (ii) for Auctions after the Initial Auction Date, the T-Bill Cap; or
- (iii) for Auctions after the Initial Auction Date, the CP Cap; or
- (iv) the Interest Rate Limitation; rounded to the nearest one thousandth of 1% (.001).

"Monthly Rate" has the meaning provided in Exhibit E to the Supplemental Indenture.

"90 Day Financial Commercial Paper" means the 90 Day AA Financial Commercial Paper rate posted on the Federal Reserve Release entitled "Commercial

Paper Rates and Outstandings", which rate may be available on the internet at <http://www.federalreserve.gov/releases/cp/>.

"Order" has the meaning set forth in Section 3.02(a)(i) hereof.

"Outstanding" has the meaning set forth in the Indenture; provided, however, that for the purposes of the Auction Procedures on any Auction Date, Bonds as to which the Corporation or any Person known to the Auction Agent to be an Affiliate of the Corporation shall be the Existing Owner thereof shall be disregarded and deemed not to be Outstanding.

"Overdue Rate" means, on any date of determination, the rate per annum equal to the lesser of (a) 200% of the greater of (i) the After-Tax Equivalent Rate and (ii) the Kenny Index or (b) the Interest Rate Limitation.

"Payment Default" means (i) a default by the Corporation in the due and punctual payment of any installment of interest of any Bonds or (ii) a default by the Corporation in the due and punctual payment of the principal of any Bonds whether at maturity or upon redemption or acceleration.

"Person" or "person" means any natural person, firm, partnership, association, corporation, company, government, public body or other entity.

"Potential Owner" means any person, including any Existing Owner, (i) who shall have executed a master purchaser's letter in the form required by the Broker-Dealer, and (ii) who may be interested in acquiring Bonds bearing interest at an Auction Rate (or, in the case of an Existing Owner thereof, an additional principal amount of Bonds bearing interest at an Auction Rate).

"Quarterly Average Auction Rate" means the simple average of the Auction Rates for Auction Dates preceding the current Auction Date by 91 days or less, including the current Auction Date.

"Quarterly Average CP Rate" means the simple average of the Bond Equivalent Yield of 90 Day Financial Commercial Paper rates for the 91 days preceding (but not including) the current Auction Date.

"Quarterly Average T-Bill Rate" means the simple average of the Bond Equivalent Yield of 91-day Treasury Bills auctioned in the 91 days preceding (but not including) the current Auction Date.

"Rate Period" means any Auction Rate Period, Daily Rate Period, Flexible Rate Period, Monthly Rate Period, Term Rate Period or Weekly Rate Period.

"Rating Category" means one of the generic rating categories of a Rating Agency, without regard to any refinement or graduation of such rating category by a numerical modifier, plus or minus sign, or otherwise.

"Record Date" means (a) so long as interest is payable on any Bonds on each June 1 and December 1, one Business Day before such Interest Payment Date with respect to such Bonds and (b) if, and for so long as, Interest Payment Dates for any Bonds are specified to occur at the end of each Auction Period, the Applicable Number of Business Days preceding each such Interest Payment Date with respect to such Bonds.

"Sell Order" has the meaning set forth in Section 3.02(a)(i) hereof.

"Statutory Corporate Tax Rate" has the meaning set forth in the definition of "After-Tax Equivalent Rate" herein.

"Statutory Personal Tax Rate" has the meaning set forth in the definition of "After-Tax Equivalent Rate" herein.

"Submission Deadline" means 1:00 p.m., New York City time, on any Auction Date or such other time on any Auction Date by which Broker-Dealers are required to submit Orders to the Auction Agent, as specified by the Auction Agent from time to time.

"Submission Processing Deadline" means the earlier of (i) 40 minutes after the Submission Deadline or (ii) the time when the Auction Agent begins to disseminate the results of the Auctions to the Broker-Dealers.

"Submission Processing Representation" has the meaning set forth in Section 302(b)(xiii) hereof.

"Submitted Bid" has the meaning set forth in Section 3.02(c)(i) hereof.

"Submitted Hold Order" has the meaning set forth in Section 3.02(c)(i) hereof.

"Submitted Order" has the meaning set forth in Section 3.02(c)(i) hereof.

"Submitted Sell Order" has the meaning set forth in Section 3.02(c)(i) hereof.

"Sufficient Clearing Bids" has the meaning set forth in Section 3.02(c)(i) hereof.

"Supplemental Indenture" means the Fifth Supplemental Indenture to which this Exhibit A is attached.

"Term Rate Period" has the meaning set forth in Exhibit E to the Supplemental Indenture.

"T-Bill Cap" means, for any Auction Date, the rate (for the then current Auction Date) at which the Quarterly Average Auction Rate equals the Quarterly Average T-Bill Rate plus the Applicable Spread, such rate to be determined by the formula:

$$N \times (T + S) - R,$$

where N is the number of Auction Dates which precede the current Auction Date by 91 days or less, including the current Auction Date; T is the Quarterly Average T-Bill Rate; S is the Applicable Spread; and R is the sum of the Auction Rates for Auction Dates preceding the current Auction Date by 91 days or less, excluding the current Auction.

"Variable Rate Conversion Date" has the meaning provided in Exhibit E to the Supplemental Indenture.

"Weekly Rate" has the meaning provided in Exhibit E to the Supplemental Indenture.

"Winning Bid Rate" has the meaning set forth in Section 3.02(c)(i) hereof.

(c) The words "hereof," "herein," "hereto," "herewith," "hereby" and "hereunder" refer to this Exhibit A.

## ARTICLE II INTEREST PROVISIONS

### Section 2.01. Interest on Bonds -- General.

(a) During Auction Rate Periods for any Bonds, interest accrued on such Bonds shall be computed on the basis of a year of 360 days for the number of days actually elapsed.

(b) Upon their initial issuance, the Bonds shall bear interest at an Auction Rate for the Rate Period as provided in the Supplemental Indenture and this Exhibit A. After their initial issuance, the Corporation may cause the Conversion of the Bonds. Upon any such Conversion, the Bonds shall bear interest for such Rate Period as shall be identified as part of such Conversion. The term of each Bond shall be divided into consecutive Rate Periods during which such Bond may bear interest at an Auction Rate, Daily Rate, Flexible Rate(s), Monthly Rate, Term Rate or Weekly Rate. Any such Rate Period established with respect to any Bonds shall continue in effect unless and until adjusted to a different Rate Period as provided herein or in Exhibit E to the Supplemental Indenture, as applicable. From and after any Conversion pursuant to Article IV hereof, the Bonds shall bear interest determined in accordance with the

provisions hereof pertaining to the new Rate Period, unless the new Rate Period is a Non-Auction Rate Period, in which case the Bonds shall bear interest determined in accordance with the provisions of Exhibit E to the Supplemental Indenture. The Bonds shall bear interest for each Auction Period at the rate of interest per annum for such Auction Period established in accordance herewith, payable as provided in Section 2.4 of the Indenture.

Section 2.02. Calculation of Interest.

(a) By 3:00 p.m. (New York City time) on each Auction Date, the Auction Agent shall make available and deliver in writing to the Corporation, the Trustee, any Broker Dealer and any registered owner of a Bond the interest rate or rates determined on such Auction Date.

(b) The determination of any Auction Rate or the establishment of Auction Periods by the Auction Agent in accordance with the provisions of this Exhibit A or of any Conversion Supplement shall be conclusive and binding upon the Corporation, the Trustee, the Market Agent, the Auction Agent, all Broker Dealers and the registered or beneficial owners of the Bonds. Failure of the Market Agent, the Trustee, the Auction Agent or the Securities Depository or any Participant to give any of the notices described in the Indenture, or any defect therein, shall not affect the interest rate to be borne by any of the Bonds nor the applicable Auction Period nor in any way change the rights of the registered owners of the Bonds to have the Bonds redeemed in accordance with the Indenture.

(c) The Auction Agent shall, not later than the close of business on each Auction Date, notify the Trustee as to the Auction Rate established on such Auction Date and the aggregate amount of interest to accrue on the Bonds for the next Auction Period.

(d) Anything herein to the contrary notwithstanding, in no event shall the interest rate borne by any Bond exceed the Interest Rate Limitation.

ARTICLE III  
AUCTION RATE PROVISIONS

Section 3.01. General Auction Rate Provisions. (a) The interest rate to be borne by the Bonds for their Initial Auction Period shall be that rate determined by the Broker-Dealer to be the rate or rates necessary for the Bonds to be sold at par; and the interest rate to be borne by the Bonds for each Auction Period after the Initial Auction Period until Conversion, if any, or until any adjustment in the length of the Auction Period as provided in Section 3.06 hereof, shall be determined as described below. Each such Auction Period shall commence on and include the first Business Day following the expiration of the Initial Auction Period or the immediately preceding

Auction Period (or other Interest Period, in the event of Conversion from another Rate Period to an Auction Rate Period) and terminate on and include the day before the commencement date of the next succeeding Auction Period or other Interest Period. The interest rate on such Bond for each Auction Period shall, as set forth in Section 3.02(c)(iii), be the Auction Rate in effect for such Auction Period as determined in accordance with Section 3.02 hereof, but shall not exceed the Maximum Auction Rate for such Auction Period; provided that if, on any Determination Date, an Auction is not held for any reason, then the interest rate on the Bonds for the next succeeding Auction Period shall be the Maximum Auction Rate for such Auction Period.

(b) Notwithstanding the foregoing, but in each case subject to the Interest Rate Limitation:

(1) if the ownership of the Bonds is no longer maintained in book-entry form, Auctions will be suspended and the interest rate on the Bonds for any Auction Period commencing after the delivery of certificates representing the Bonds shall equal the Maximum Auction Rate on the Business Day immediately preceding the first day of such subsequent Auction Period, calculated as provided in Section 3.04; or

(2) if a Payment Default shall have occurred, Auctions will be suspended and the interest rate on the Bonds for the Auction Period commencing on or immediately after such Payment Default, and for each Auction Period thereafter, to and including the Auction Period, if any, during which, or commencing less than the Applicable Number of Business Days after, such Payment Default is cured in accordance with the Indenture, shall equal the Overdue Rate on the first day of each such Auction Period, calculated as provided in Section 3.04; or

(3) if a proposed Conversion under Article IV hereof shall have failed Auctions will be conducted beginning on the first Auction Date occurring more than the Applicable Number of Business Days after the failed Conversion and, as provided in said Article IV, the interest rate on the Bonds subject to the failed Conversion shall be equal to the Maximum Auction Rate as of the failed Conversion Date until such first Auction Date.

(c) In accordance with Section 3.02(c)(ii) hereof, the Auction Agent shall promptly give written notice to the Trustee and the Corporation of each interest rate on the Bonds (unless such interest rate is the Overdue Rate) and either the Auction Rate or the Maximum Auction Rate, as the case may be, when such rate is not the interest rate applicable to the Bonds. The Trustee shall notify the owners of the Bonds of the interest rate applicable to the Bonds for each Auction Period not later than the third Business Day of such Auction Period.

(d) Notwithstanding any other provision hereof or of the Bonds and except for the occurrence of a Payment Default, interest payable on the Bonds for an Auction Period shall never exceed for such Auction Period the amount of interest payable at the

Maximum Auction Rate (subject to the Interest Rate Limitation) in effect for such Auction Period. If the Auction Rate for any Auction Period is greater than the Maximum Auction Rate, then the interest rate applicable to the Bonds for that Auction Period will be the Maximum Auction Rate.

(e) RESERVED

(f) In the event that the Auction Agent no longer determines, or fails to determine, when required, the interest rate with respect to the Bonds, or, if for any reason such manner of determination shall be held to be invalid or unenforceable, the interest rate for the next succeeding Auction Period for such Bonds shall be the Maximum Auction Rate as determined by the Auction Agent for such next succeeding Auction Period, and if the Auction Agent shall fail or refuse to determine said Maximum Auction Rate, the Maximum Auction Rate shall be determined by the securities dealer appointed by the Corporation capable of making such a determination in accordance with the provisions hereof and written notice of such determination shall be given by such securities dealer to the Trustee.

(g) By purchasing Bonds, whether bearing interest at an Auction Rate or otherwise, each purchaser of the Bonds, or its Broker-Dealer, must agree and shall be deemed by such purchase to have agreed (i) to participate in Auctions on the terms described herein, (ii) to have its beneficial ownership of the Bonds maintained at all times in book-entry form for the account of its Participant, which in turn will maintain records of such beneficial ownership, and (iii) to authorize such Participant to disclose to the Auction Agent such information with respect to such beneficial ownership as the Auction Agent may request. So long as the ownership of the Bonds is maintained in book-entry form by the Securities Depository, an Existing Owner may sell, transfer or otherwise dispose of Bonds only pursuant to a Bid or Sell Order placed in an Auction or through a Broker-Dealer, provided that, in the case of all transfers other than pursuant to Auctions, such Existing Owner, its Broker-Dealer or its Participant advises the Auction Agent of such transfer.

Section 3.02. Auction Procedures. During any Auction Rate Period, Auctions shall be conducted on each Auction Date, if there is an Auction Agent on such Auction Date, in the following manner:

(a) (i) Prior to the Submission Deadline on each Auction Date;

(A) each Existing Owner of Bonds may submit to a Broker-Dealer by telephone or otherwise any information as to:

(1) the principal amount of Outstanding Bonds, if any, owned by such Existing Owner which such Existing Owner desires to continue to own without regard to the Auction Rate for the next succeeding Auction Period;

(2) the principal amount of Outstanding Bonds, if any, which such Existing Owner offers to sell if the Auction Rate for the next succeeding Auction Period shall be less than the rate per annum specified by such Existing Owner; and/or

(3) the principal amount of Outstanding Bonds, if any, owned by such Existing Owner which such Existing Owner offers to sell without regard to the Auction Rate for the next succeeding Auction Period; and

(B) one or more Broker-Dealers may contact Potential Owners to determine the principal amount of Bonds which each Potential Owner offers to purchase, if the Auction Rate for the next succeeding Auction Period shall not be less than the rate per annum specified by such Potential Owner.

The statement of an Existing Owner or a Potential Owner referred to in (A) or (B) of this paragraph (i) is herein referred to as an "Order," and each Existing Owner and each Potential Owner placing an Order is herein referred to as a "Bidder;" an Order described in clause (A)(1) is herein referred to as a "Hold Order;" an Order described in clause (A)(2) or (B) is herein referred to as a "Bid;" and an Order described in clause (A)(3) is herein referred to as a "Sell Order."

(ii) (A) Subject to the provisions of subsection (b) of this Section, a Bid by an Existing Owner shall constitute an irrevocable offer to sell:

(1) the principal amount of Outstanding Bonds specified in such Bid if the interest rate determined as provided in this Section shall be less than the rate specified therein; or

(2) such principal amount, or a lesser principal amount of Outstanding Bonds to be determined as set forth in subsection (d)(i)(D) of this Section, if the Auction Rate determined as provided in this Section shall be equal to the rate specified therein; or

(3) such principal amount, or a lesser principal amount of Outstanding Bonds to be determined as set forth in subsection (d)(ii)(C) of this Section, if the interest rate specified therein shall be higher than the Maximum Auction Rate and Sufficient Clearing Bids have not been made.

(B) Subject to the provisions of subsection (b) of this Section, a Sell Order by an Existing Owner shall constitute an irrevocable offer to sell:

(1) the principal amount of Outstanding Bonds specified in such Sell Order; or



(2) such principal amount, or a lesser principal amount of Outstanding Bonds set forth in subsection (d)(ii)(C) of this Section, if Sufficient Clearing Bids have not been made.

(C) Subject to the provisions of subsection (b) of this Section, a Bid by a Potential Owner shall constitute an irrevocable offer to purchase:

(1) the principal amount of Outstanding Bonds specified in such Bid if the Auction Rate determined as provided in this Section shall be higher than the rate specified in such Bid; or

(2) such principal amount, or a lesser principal amount of Outstanding Bonds set forth in subsection (d)(i)(E) of this Section, if the Auction Rate determined as provided in this Section shall be equal to the rate specified in such Bid.

(b) (i) Each Broker-Dealer shall submit in writing to the Auction Agent prior to the Submission Deadline on each Auction Date all Orders obtained by such Broker-Dealer and shall specify with respect to each such Order;

(A) the name of the Bidder placing such Order;

(B) the aggregate principal amount of Bonds that are the subject of such Order;

(C) to the extent that such Bidder is an Existing Owner:

(1) the principal amount of Bonds, if any, subject to any Hold Order placed by such Existing Owner;

(2) the principal amount of Bonds, if any, subject to any Bid placed by such Existing Owner and the rate specified in such Bid; and

(3) the principal amount of Bonds, if any, subject to any Sell Order placed by such Existing Owner; and

(D) to the extent such Bidder is a Potential Owner, the rate specified in such Potential Owner's Bid.

(ii) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Agent shall round such rate up to the next higher one thousandth of 1% (.001).

(iii) If an Order or Orders covering all Outstanding Bonds owned by an Existing Owner is not submitted to the Auction Agent prior to the Submission

Processing Deadline, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Existing Owner covering the principal amount of Outstanding Bonds owned by such Existing Owner and not subject to an Order submitted to the Auction Agent.

(iv) A Broker-Dealer may submit Orders in Auctions for its own account. Any Broker-Dealer submitting an Order for its own account in any Auction will have an advantage over other Bidders in that it will have knowledge of other Orders placed through it in that Auction (but it will not have knowledge of Orders submitted through other Broker-Dealers, if any). As a result of the Broker-Dealer bidding, the auction clearing rate may be lower than the rate that would have prevailed if the Broker-Dealer had not bid. A Broker-Dealer may also Bid or encourage additional or revised bidding in order to prevent what would otherwise be a failed auction, an "all hold" Auction, or an auction clearing at a rate that the Broker-Dealer believes does not reflect the market rate for such Auction Rate Bonds at the time of the Auction.

(v) None of the Corporation, the Trustee nor the Auction Agent shall be responsible for any failure of a Broker-Dealer to submit an Order to the Auction Agent on behalf of any Existing Owner or Potential Owner.

(vi) If any Existing Owner submits through a Broker-Dealer to the Auction Agent one or more Orders covering in the aggregate more than the principal amount of Outstanding Bonds owned by such Existing Owner, such Orders shall be considered valid as follows and in the following order of priority:

(A) All-Hold Orders shall be considered valid, but only up to and including the aggregate principal amount of Outstanding Bonds owned by such Existing Owner, and if the aggregate principal amount of Bonds subject to such Hold Orders exceeds the aggregate principal amount of Outstanding Bonds owned by such Existing Owner, the aggregate principal amount of Bonds subject to each such Hold Order shall be reduced pro rata so that the aggregate principal amount of Bonds subject to such Hold Order equals the aggregate principal amount of Outstanding Bonds owned by such Existing Owner.

(B) (1) Any Bid shall be considered valid up to and including an amount equal to the excess of the principal amount of Outstanding Bonds owned by such Existing Owner over the aggregate principal amount of Bonds subject to any Hold Order referred to in clause (A) of this paragraph (v);

(2) subject to subclause (1) of this clause (B), if more than one Bid with the same rate is submitted on behalf of such Existing Owner and the aggregate principal amount of Outstanding Bonds subject to such Bids is greater than such excess, such Bids shall be considered valid up to and including the amount of such excess, and the principal amount of Outstanding Bonds subject to each Bid with the same rate shall be reduced pro rata so that the aggregate

principal amount of Outstanding Bonds subject to such Bids is equal to such excess;

(3) subject to subclauses (1) and (2) of this clause (B), if more than one Bid with different rates are submitted on behalf of such Existing Owner, such Bids shall be considered valid first in the ascending order of their respective rates until the highest rate is reached at which such excess exists and then at such rate up to and including the amount of such excess; and

(4) in any such event, the aggregate principal amount of Outstanding Bonds, if any, subject to Bids not valid under this clause (B) shall be treated as the subject of a Bid by a Potential Owner at the rate therein specified; and

(C) All Sell Orders shall be considered valid up to an amount equal to the excess of the principal amount of Outstanding Bonds owned by such Existing Owner over the aggregate principal amount of Outstanding Bonds subject to Hold Orders referred to in clause (A) of this paragraph (v) and valid Bids referred to in clause (B) of this paragraph (v).

(vii) If more than one Bid for Bonds is submitted on behalf of any Potential Owner, each Bid submitted shall be a separate Bid with the rate and principal amount therein specified.

(viii) An Existing Owner that offers to purchase additional Bonds is, for purposes of such offer, treated as a Potential Owner.

(ix) Any Bid or Sell Order submitted by an Existing Owner covering an aggregate principal amount of Bonds not equal to an Authorized Denomination shall be rejected and shall be deemed a Hold Order. Any Bid submitted by a Potential Owner covering an aggregate principal amount of Bonds not equal to an Authorized Denomination shall be rejected.

(x) Any Bid specifying a rate higher than the Maximum Auction Rate will (A) be treated as a Sell Order if submitted by an Existing Owner and (B) not be accepted if submitted by a Potential Owner.

(xi) Any Bid submitted by any Existing Owner or a Potential Owner specifying a rate lower than the All-Hold Rate shall be treated as a bid specifying the All-Hold Rate and any such bid shall be considered as valid and shall be selected in the ascending order of their respective rates in the Submitted Bids.

(xii) Any Order submitted in an Auction by a Broker-Dealer to the Auction Agent before the Submission Deadline on any Auction Date shall be irrevocable.

(xiii) Notwithstanding the foregoing, Broker-Dealers may submit an Order after the Submission Deadline and prior to the Submission Processing Deadline if the Order was (a) received by the Broker-Dealer from Existing Owners or Potential Owners prior to the Submission Deadline or (b) initiated internally by the Broker-Dealer for its own account prior to the Submission Deadline. Each Order submitted to the Auction Agent after the Submission Deadline and prior to the Submission Processing Deadline shall constitute a representation by the Broker-Dealer that such Order was (i) received from an Existing Owner or Potential Owner prior to the Submission Deadline or (ii) initiated internally by the Broker-Dealer for its own account prior to the Submission Deadline (the "Submission Processing Representation").

(c) (i) Not earlier than the Submission Deadline on each Auction Date, the Auction Agent shall assemble all valid Orders submitted or deemed submitted to it by the Broker-Dealers, subject to a Submission Processing Representation (each such Order as submitted or deemed submitted by a Broker-Dealer being herein referred to individually as a "Submitted Hold Order," a "Submitted Bid" or a "Submitted Sell Order," as the case may be, or as a "Submitted Order," and collectively as "Submitted Hold Orders," "Submitted Bids" or "Submitted Sell Orders," as the case may be, or as "Submitted Orders") and shall determine:

(A) the excess of the total principal amount of Outstanding Bonds over the sum of the aggregate principal amount of Outstanding Bonds subject to Submitted Hold Orders (such excess being herein referred to as the "Available Bonds"), and

(B) from the Submitted Orders whether:

(1) the aggregate principal amount of Outstanding Bonds subject to Submitted Bids by Potential Owners specifying one or more rates equal to or lower than the Maximum Auction Rate;

exceeds or is equal to the sum of:

(2) the aggregate principal amount of Outstanding Bonds subject to Submitted Bids by Existing Owners specifying one or more rates higher than the Maximum Auction Rate; and

(3) the aggregate principal amount of Outstanding Bonds subject to Submitted Sell Orders;

(in the event such excess or such equality exists, other than because all of the Outstanding Bonds are subject to Submitted Hold Orders, such Submitted Bids described in subclause (1) above being herein referred to collectively as "Sufficient Clearing Bids"); and

(C) if Sufficient Clearing Bids exist, the "Winning Bid Rate," which shall be the lowest rate specified in such Submitted Bids such that if:

(1) each Submitted Bid from Existing Owners specifying such lowest rate and all other Submitted Bids from Existing Owners specifying lower rates were rejected, thus entitling such Existing Owners to continue to own the principal amount of Bonds subject to such Submitted Bids; and

(2) each such Submitted Bid from Potential Owners specifying such lowest rate and all other Submitted Bids from Potential Owners specifying lower rates were accepted,

the result would be that such Existing Owners described in subclause (1) above would continue to own an aggregate principal amount of Outstanding Bonds which, when added to the aggregate principal amount of Outstanding Bonds to be purchased by such Potential Owners described in subclause (2) above, would equal not less than the Available Bonds.

(ii) Promptly after the Auction Agent has made the determinations pursuant to subsection (c)(i) of this Section, the Auction Agent shall advise the Trustee of the Maximum Rate and the All-Hold Rate and shall determine the Auction Rate for the next succeeding Auction Period as follows:

(A) if Sufficient Clearing Bids exist, that the Auction Rate for the next succeeding Auction Period shall be equal to the Winning Bid Rate so determined;

(B) if Sufficient Clearing Bids do not exist (other than because all of the Outstanding Bonds are subject to Submitted Hold Orders), that the Auction Rate for the next succeeding Auction Period shall be equal to the Maximum Auction Rate; or

(C) if all Outstanding Bonds are subject to Submitted Hold Orders, that the Auction Rate for the next succeeding Auction Period shall be equal to the All-Hold Rate.

(iii) Promptly after the Auction Agent has determined the Auction Rate, the Auction Agent shall determine and advise the Trustee of the Auction Bond Interest Rate, which rate shall be the Auction Rate; provided, however, that in no event shall the Auction Bond Interest Rate exceed the Maximum Auction Rate, subject to the Interest Rate Limitation.

(iv) Promptly after the Auction Agent has determined the Auction Rate, the Auction Agent shall determine and advise the Trustee of the Auction Bond Interest Rate, which rate shall be the Auction Rate; provided, however, that in no event shall the

Auction Bond Interest Rate exceed the Maximum Auction Rate, subject to the Interest Rate Limitation.

(d) Existing Owners shall continue to hold the principal amount of Bonds that are subject to Submitted Hold Orders, and, based on the determinations made pursuant to paragraph (i) of subsection (c) of this Section, Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Agent shall take such other action as set forth below:

(i) If Sufficient Clearing Bids have been made, and the Maximum Auction Rate is equal to or greater than the Winning Bid Rate (in which case the Bond Interest Rate shall be the Winning Bid Rate), all Submitted Sell Orders shall be accepted and, subject to the provisions of paragraphs (iv) and (v) of this subsection (d), Submitted Bids shall be accepted or rejected as follows in the following order of priority, and all other Submitted Bids shall be rejected:

(A) Existing Owners' Submitted Bids specifying any rate that is higher than the Winning Bid Rate shall be accepted, thus requiring each such Existing Owner to sell the aggregate principal amount of Bonds subject to such Submitted Bids;

(B) Existing Owners' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be rejected, thus entitling each such Existing Owner to continue to own the aggregate principal amount of Bonds subject to such Submitted Bids;

(C) Potential Owners' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring such Potential Owners to purchase the aggregate principal amount of Bonds subject to such Submitted Bids;

(D) Each Existing Owner's Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be rejected, thus entitling such Existing Owner to continue to own the aggregate principal amount of Bonds subject to such Submitted Bid, unless the aggregate principal amount of Outstanding Bonds subject to all such Submitted Bids shall be greater than the principal amount of Bonds (the "remaining principal amount") equal to the excess of the Available Bonds over the aggregate principal amount of Bonds subject to Submitted Bids described in clauses (B) and (C) of this paragraph (d)(i), in which event such Submitted Bid of such Existing Owner shall be rejected in part, and such Existing Owner shall be entitled to continue to own the principal amount of Bonds subject to such Submitted Bid, but only in an amount equal to the aggregate principal amount of Bonds obtained by multiplying the remaining principal amount by a fraction, the numerator of which shall be the principal amount of Outstanding Bonds owned by such Existing Owner subject to such Submitted Bid and the denominator of which shall be the sum of the principal amount of Outstanding

Bonds subject to such Submitted Bids made by all such Existing Owners that specified a rate equal to the Winning Bid Rate; and

(E) Each Potential Owner's Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be accepted, but only in an amount equal to the principal amount of Bonds obtained by multiplying the excess of the aggregate principal amount of Available Bonds over the aggregate principal amount of Available Bonds subject to Submitted Bids described in clauses (B), (C) and (D) of this paragraph (d)(i) by a fraction the numerator of which shall be the aggregate principal amount of Outstanding Bonds subject to such Submitted Bid and the denominator of which shall be the sum of the principal amount of Outstanding Bonds subject to Submitted Bids made by all such Potential Owners that specified a rate equal to the Winning Bid Rate.

(ii) If Sufficient Clearing Bids have not been made (other than because all of the Outstanding Bonds are subject to Submitted Hold Orders), subject to the provisions of paragraphs (iv) and (v) of this subsection (d), Submitted Orders shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(A) Existing Owners' Submitted Bids specifying any rate that is equal to or lower than the Maximum Auction Rate shall be rejected, thus entitling such Existing Owners to continue to own the aggregate principal amount of Bonds subject to such Submitted Bids;

(B) Potential Owners' Submitted Bids specifying (1) any rate that is equal to or lower than the Maximum Auction Rate shall be accepted, thus requiring such Potential Owners to purchase the aggregate principal amount of Bonds subject to such Submitted Bids; and (2) any rate that is higher than the Maximum Auction Rate shall be rejected; and

(C) Each Existing Owner's Submitted Bid specifying any rate that is higher than the Maximum Auction Rate and the Submitted Sell Order of each Existing Owner shall be accepted, thus entitling each Existing Owner that submitted any such Submitted Bid or Submitted Sell Order to sell the Bonds subject to such Submitted Bid or Submitted Sell Order, but in both cases only in an amount equal to the aggregate principal amount of Bonds obtained by multiplying the aggregate principal amount of Bonds subject to Submitted Bids described in clause (B)(1) of this paragraph (d)(ii) by a fraction the numerator of which shall be the aggregate principal amount of Outstanding Bonds owned by such Existing Owner subject to such Submitted Bid or Submitted Sell Order and the denominator of which shall be the aggregate principal amount of Outstanding Bonds subject to all such Submitted Bids and Submitted Sell Orders.

(iii) If all Outstanding Bonds are subject to Submitted Hold Orders, all Submitted Bids shall be rejected.

(iv) If, as a result of the procedures described in paragraph (i) or (ii) of this subsection (d), any Existing Owner would be entitled or required to sell, or any Potential Owner would be entitled or required to purchase, a principal amount of Bonds that is not equal to an Authorized Denomination, the Auction Agent shall, in such manner as in its sole discretion it shall determine, round up or down the principal amount of Bonds to be purchased or sold by any Existing Owner or Potential Owner so that the principal amount of Bonds purchased or sold by each Existing Owner or Potential Owner shall be equal to an Authorized Denomination.

(v) If, as a result of the procedures described in paragraph (i) or (ii) of this subsection (d), any Potential Owner would be entitled or required to purchase less than an Authorized Denomination of Bonds, the Auction Agent shall, in such manner as in its sole discretion it shall determine, allocate Bonds for purchase among Potential Owners so that only Bonds in Authorized Denominations are purchased by any Potential Owner, even if such allocation results in one or more of such Potential Owners not purchasing any Bonds.

(e) Based on the result of each Auction, the Auction Agent shall determine the aggregate principal amount of Bonds to be purchased and the aggregate principal amount of Bonds to be sold by Potential Owners and Existing Owners on whose behalf each Broker-Dealer submitted Bids or Sell Orders and, with respect to each Broker-Dealer, to the extent that such aggregate principal amount of Bonds to be sold differs from such aggregate principal amount of Bonds to be purchased, determine to which other Broker-Dealer or Broker-Dealers acting for one or more purchasers such Broker-Dealer shall deliver, or from which other Broker-Dealer or Broker-Dealers acting for one or more sellers such Broker-Dealer shall receive, as the case may be, Bonds.

(f) Any calculation by the Auction Agent of the Auction Bond Interest Rate, Maximum Auction Rate, All-Hold Rate and Overdue Rate shall, in the absence of manifest error, be binding on all other parties.

(g) Notwithstanding anything herein to the contrary, no Auction will be held on any Auction Date hereunder on which there are insufficient moneys in the Revenue Fund to pay, or otherwise held by the Trustee under the Indenture and available to pay, the principal of and interest due on the Bonds on the Interest Payment Date immediately following such Auction Date.

(h) Notwithstanding anything herein to the contrary, if any Bonds or portion thereof have been selected for redemption during the next succeeding Auction Period, such Bonds or portion thereof will not be included in the Auction preceding such Redemption Date, and will continue to bear interest until the Redemption Date at the rate established for the Auction Period prior to said Auction.

(i) Notwithstanding any provision in the Indenture to the contrary, (I) if as of the commencement of an Auction Period, an Auction is scheduled to occur for such



Auction Period on a Business Day (a "Scheduled Auction Date"), but such Auction does not occur because it was not foreseeable that the Scheduled Auction Date would not be a Business Day, or (II) if the Scheduled Auction Date was a Business Day but, as a result of an event generally affecting the securities markets in the United States, auctions for securities such as the Bonds were generally not conducted during such Business Day, and in fact an Auction for the Bonds was not conducted on such Business Date, the following shall apply:

(1) An Auction shall be deemed to have occurred on the Scheduled Auction Date as if such day were a Business Day;

(2) The Auction Rate for such deemed Auction to be in effect for the succeeding Auction Period (A) shall be equal to the Auction Rate for the preceding Auction Period if such preceding Auction Period was 35 days or less; and (B) otherwise shall be the rate of interest determined by the Market Agent on equivalently rated auction securities with a comparable length of auction period; and

(3) The succeeding Auction Period shall begin on the calendar day following the Scheduled Auction Date.

Section 3.03. Determination of Sufficiency of Funds; Notice.

(a) The Trustee shall determine, not later than 12:00 noon (New York City time) on the Business Day after each Interest Payment Date, whether the Corporation has paid into the Interest Account specified in the Indenture an aggregate amount of funds equal to the aggregate amount of interest due and payable on the Bonds bearing interest at the Auction Rate on such Interest Payment Date. If a Payment Default has occurred, the Trustee shall, not later than 1:00 p.m. (New York City time) on such Business Day, send a notice thereof in substantially the form of Appendix 4 hereto to the Auction Agent by telecopy or similar means, and (ii) if such Payment Default is cured, the Trustee shall promptly send a notice thereof in substantially the form of Appendix 5 hereto to the Auction Agent by telecopy or similar means.

(b) The Trustee shall give notice to the Corporation and the Market Agent, in the form set forth in Appendix 6 hereto, of any Event of Default of which it has received written notice or has knowledge as provided in the Indenture, and shall give notice to the Corporation and the Market Agent, in the form set forth in Appendix 7 hereto, promptly upon the waiver or cure of any such Event of Default.

Section 3.04. Calculation of Rates and Amounts. The Auction Agent shall calculate the Maximum Auction Rate and the All-Hold Rate on each Auction Date, and shall notify the Trustee and the Broker-Dealers of such rates as provided in the Auction Agency Agreement. Upon receipt of notice from the Trustee of a failed Conversion Date as provided in Article IV, the Auction Agent shall calculate the Maximum Auction

Rate as of such failed Conversion Date and give notice thereof as provided and to the parties specified in the Auction Agency Agreement. If the ownership of the Bonds is no longer maintained in book entry form by the Securities Depository, the Market Agent shall calculate the Maximum Auction Rate on the Business Day before each Interest Payment Date after the delivery of physical certificates representing the Bonds. If a Payment Default shall have occurred and is continuing, the Market Agent shall calculate the Overdue Rate on the Determination Date for (i) each Auction Period commencing after the occurrence and during the continuance of such Payment Default and (ii) any Auction Period commencing less than the Applicable Number of Business Days after the cure of any Payment Default. The determination by the Market Agent or the Auction Agent, as the case may be, of the Maximum Auction Rate shall (in the absence of manifest error) be final and binding upon all parties. If calculated or determined by the Auction Agent, the Auction Agent shall promptly advise the Trustee of the Maximum Auction Rate. The amount of interest distributable to holders of the Bonds bearing interest at an Auction Rate in respect of each \$100,000 in principal amount thereof for any Auction Period or part thereof shall be calculated by applying the Auction Bond Interest Rate for such Auction Period or part thereof to the principal amount of \$100,000, multiplying such product by the actual number of days in the Auction Period or part thereof, divided by 360, and truncating the resultant figure to the nearest cent. Interest on the Bonds shall be computed on the basis of a 360-day year for the number of days actually elapsed. In the event an Interest Payment Date occurs in any Auction Period on a day other than the first day of such Auction Period, the Auction Agent, after confirming the calculation required above, shall calculate the portion of the interest amount payable on such Interest Payment Date and the portion payable on the next succeeding Interest Payment Date. The Auction Agent shall make the calculation described above and notify the Trustee not later than the close of business on each Auction Date. To the extent the Trustee may be required to perform certain calculations set forth herein or in the Auction Agency Agreement, the Trustee is permitted to hire such consultants or experts as it deems necessary.

**Section 3.05. Notification of Rates, Amounts and Payment Dates.**

(a) By 12:00 noon, New York City time, on the Business Day before each Interest Payment Date, the Trustee shall determine the aggregate amounts of interest distributable on the next succeeding Interest Payment Date to the owners of the Bonds.

(b) Promptly after the beginning of each Auction Period, and in any event at least six (6) days prior to any Interest Payment Date, as the case may be, the Trustee shall:

(i) confirm with the Auction Agent, so long as no Payment Default has occurred and is continuing and the ownership of the Bonds is maintained in book-entry form by the Securities Depository, the date of such next Interest Payment Date; and

(ii) advise the Securities Depository, so long as the ownership of the Bonds is maintained in book-entry form by the Securities Depository, upon request, of the interest rate on the Bonds and the interest amount, to the extent known to the Trustee.

If any day scheduled to be an Interest Payment Date shall be changed after the Trustee shall have given the notice or confirmation referred to in clause (i) of the preceding sentence, the Trustee shall, not later than 9:15 a.m., New York City time, on the Business Day next preceding the earlier of the new Interest Payment Date or the old Interest Payment Date, by such means as the Trustee deems practicable, including telecopier transmission, give notice of such change to the Auction Agent, so long as no Payment Default has occurred and is continuing and the ownership of the Bonds is maintained in book-entry form by Securities Depository.

#### Section 3.06. Change of Auction Period.

(a) The Corporation may at any time change the length of one or more Auction Periods by means of a written notice delivered at least 10 days prior to the Auction Date for such Auction Period to the Trustee, the Market Agent, the Rating Agencies and the Auction Agent in substantially the form attached hereto as, or containing substantially the information contained in, Appendix 11 hereto. Any Auction Period established by the Corporation pursuant to this Section may not be less than 7 nor more than 366 days in duration. In connection with any such change, the Market Agent, with the written consent of an authorized officer of the Trustee, at the written direction of the Corporation, may change Interest Payment Dates to Interest Payment Dates specified in the certificate described below. Any change in the length of an Auction Period shall be effective only if the Market Agent consents to such change. The length of an Auction Period may not be changed pursuant to this Section unless Sufficient Clearing Bids existed at both the Auction immediately preceding the date the notice of such change was given and the Auction immediately preceding such changed Auction Period.

(b) The change in length of an Auction Period shall take effect only if (i) the Trustee and the Auction Agent receive, by 11:00 a.m. New York City time on the Business Day immediately preceding the Auction Date for such Auction Period, a certificate from the Corporation, by telecopy or similar means in substantially the form attached hereto as, or containing substantially the information contained in, Appendix 12 authorizing the change in the Auction Period, which shall be specified in such certificate, (ii) the Trustee shall not have delivered to the Auction Agent by 12:00 noon New York City time on the Auction Date for such Auction Period notice that a Payment Default has occurred, and (iii) Sufficient Clearing Bids exist at the Auction on the Auction Date for such Auction Period. If the condition referred to in (i) above is not met, the Auction Rate for the next succeeding Auction Period shall be determined pursuant to the Auction Procedures and no change shall take place in the Auction Period. If any of the conditions referred to in (ii) or (iii) above is not met, the interest rate for the next

succeeding Auction Period shall equal the Maximum Auction Rate as determined as of such Auction Date.

Section 3.07. Change of Auction Date. In order to conform with then current market or industry practice with respect to similar securities or to accommodate economic and financial factors that may affect or be relevant to the day of the week constituting an Auction Date, the Market Agent, with the written consent of the Corporation, may specify an earlier Auction Date (but in no event more than five Business Days earlier) than would otherwise be determined in accordance with the definition of "Auction Date" with respect to one or more Auction Periods. If a change in an Auction Date is undertaken in conjunction with a change in an Auction Period and the conditions for the establishment of such change in Auction Period are not met, the Auction Date may be, and the next succeeding Auction Period may be adjusted to end, on an earlier Business Day (but not more than five Business Days earlier) than the date on which such Auction Date was scheduled to occur and such Auction Period was scheduled to end to accommodate the change in the Auction Date. The Market Agent shall communicate its determination to change an Auction Date by means of a written notice delivered at least 10 days prior to the proposed changed Auction Date to the Corporation, the Trustee, the Rating Agencies and the Auction Agent, which shall be in substantially the form attached hereto as, or containing substantially the information contained in, Appendix 13. In connection with any change described in this Section, the Auction Agent shall provide such further notice to such parties as is specified in the Auction Agency Agreement.

Section 3.08. Payments to Auction Agent. Not later than 2:00 p.m., New York City time, on each Interest Payment Date the Trustee shall pay to the Auction Agent as a Program Expense, in immediately available funds out of amounts in the Revenue Fund, an amount equal to the Auction Agent Fee (together with, or including, as applicable, the Broker-Dealer Fee) as calculated in the Auction Agency Agreement. The Trustee shall, from time to time at the request of the Auction Agent and at the written direction of an Authorized Officer, reimburse the Auction Agent for its reasonable expenses as provided in the Auction Agency Agreement, such expenses to be paid as Program Expenses out of amounts in the Revenue Fund.

Section 3.09. Adjustment of Percentages. The Market Agent shall adjust the percentage used in determining the All-Hold Rate, the Applicable Percentage used in determining the Maximum Auction Rate and the Applicable Percentage of the Kenny Index used in determining the Overdue Rate, if any such adjustment is necessary, in the judgment of the Market Agent, to reflect any Change of Preference Law such that Bonds bearing interest at the Maximum Auction Rate, Bonds bearing interest at the All-Hold Rate and Bonds bearing interest at the Overdue Rate shall have equal market value before and after such Change of Preference Law. Prior to any such adjustment, the Corporation shall give notice thereof to each Rating Agency, and no such adjustment shall be made unless such adjustment will not adversely affect any rating on any of the Bonds. In making any such adjustment, the Market Agent shall take the

following factors, as in existence both before and after such Change of Preference Law, into account: (i) short-term taxable and tax-exempt market rates and indices of such short-term rates; (ii) the market supply and demand for short-term tax-exempt securities; (iii) yield curves for short-term and long-term tax-exempt securities or obligations having a credit rating that is comparable to the Bonds; (iv) general economic conditions; and (v) economic and financial factors present in the securities industry that may affect or that may be relevant to the Bonds.

The Market Agent shall effectuate an adjustment in the percentage used in determining the All-Hold Rate, the Applicable Percentage used in determining the Maximum Auction Rate and the Applicable Percentage of the Kenny Index used to determine the Overdue Rate by delivering written notice to the Corporation, the Trustee and the Auction Agent, in the form set forth in Appendix 14 hereto, at least 10 days prior to the Auction Date on which the Market Agent desires to effect such change, accompanied by a Bond Counsel Opinion to the effect that such adjustment will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

#### ARTICLE IV CONVERSION

Section 4.01. Conversion of Rate Period. The provisions of Article IV of this Exhibit A apply to any Conversions of Bonds to an Auction Rate from a Non-Auction Rate. The provisions of Article IV of Exhibit E to the Supplemental Indenture apply to all other Conversions of the Bonds. The interest rate on all or any portion of the Bonds may be converted from a Non-Auction Rate to an Auction Rate as provided in this Section, subject to Section 4.03; provided that both the principal amount of Bonds so converted and the principal amount of Bonds not so converted shall be in Authorized Denominations. Upon Conversion, the Corporation may designate a Class for the converted Bonds that is different from the Class applicable to such Bonds before the Conversion, provided that the Corporation provides the Trustee with an opinion of Bond Counsel to the effect that such change in Class designation will not adversely affect the exemption of interest on any of the Bonds from federal income taxation. The principal amount of Bonds to be so converted, and the Class designation of such Bonds if different from the Class designation before Conversion, shall be specified by the Corporation to the Trustee in the notice given pursuant to subsection (a) hereof, and the specific Bonds to be so converted shall be selected by the Trustee by lot unless otherwise directed by the Corporation. As used in this Section, the term "Bonds" refers only to the Bonds so converted.

(a) On any Conversion Date, the Bonds shall cease to bear interest at the rate for the Rate Period then applicable to such Bonds and shall bear interest at a rate for such different Rate Period as shall be specified by the Corporation in a written notice delivered to the Trustee, the Credit Provider, if any, the Remarketing Agent, the Auction Agent, the Market Agent and the Securities Depository in substantially the form

attached hereto as, or containing substantially the information contained in, Appendix 1 hereto, not less than thirty (30) days before the Conversion Date in the case of Conversion from a Term Rate Period, or fifteen (15) days before the Conversion Date in the case of Conversion from any other Rate Period. If such Conversion is from a Term Rate Period of one year or more, such notice from the Corporation shall be accompanied by a Bond Counsel Opinion to the effect that such Conversion will not adversely affect the Tax Exempt status of interest on the Bonds.

(b) The Trustee shall mail to the Bondowners the notice received pursuant to subsection (a) of this Section on or before the second Business Day after receipt thereof.

(c) A Conversion shall be effective pursuant to this Section only if the Trustee, the Auction Agent and the Market Agent shall receive from the Corporation, by 4:00 p.m. New York City time on the Conversion Date, a certificate in substantially the form attached hereto as, or containing substantially the information contained in, Appendix 8 hereto, to the effect that all of the Bonds tendered or deemed tendered have been purchased at a price equal to the principal amount thereof plus accrued interest, if any, with funds provided from the remarketing of such Bonds in accordance with the Remarketing Agreement or with the proceeds of the Credit Enhancement.

(d) If any of the conditions set forth in this Section are not met with respect to a Conversion, then the provisions of Exhibit E to the Supplemental Indenture shall control with respect to the Bonds that are the subject of such Conversion.

Section 4.02. Rescission of Election. Notwithstanding anything in the Indenture to the contrary, the Corporation may rescind any election by it in Section 4.01 prior to the effective date of such election by giving written notice thereof to the Trustee and the Remarketing Agent, in substantially the form attached as, or containing substantially the information contained in, Appendix 10 hereto, provided that the Corporation gives such notice of rescission to the Trustee and the Remarketing Agent before the Trustee has given notice to the holders of the Bonds as provided in Section 4.01(b). If the Trustee and the Remarketing Agent receive notice of such rescission prior to the time the Trustee has given notice to the holders of the Bonds as provided in Section 4.01(b), then the notice previously delivered by the Corporation shall be of no force and effect.

ARTICLE V  
[RESERVED]

ARTICLE VI  
[RESERVED]

## ARTICLE VII MARKETING PARTIES

### Section 7.01. Auction Agent.

(a) Upon the issuance of any Bonds bearing interest at Auction Rates, or upon Conversion of any Bonds to an Auction Rate Period, the Corporation shall appoint an Auction Agent to serve as agent for the Trustee in connection with the Auctions, and the Trustee shall enter into an Auction Agency Agreement with such Auction Agent. The Corporation hereby appoints The Wilmington Trust Company to serve as initial Auction Agent, and the Trustee is hereby directed to enter into an Auction Agency Agreement with The Wilmington Trust Company. Each Auction Agent shall be (i) a bank or trust company duly organized under the laws of the United States of America or any state or territory thereof having its principal place of business in the Borough of Manhattan, in The City of New York (or such other location as may be approved by the Trustee and the Market Agent), and having a combined capital stock, surplus and undivided profits of at least \$15,000,000 or (ii) a member of the National Association of Securities Dealers, Inc., having net capital of at least \$15,000,000 and, in either case, authorized by law to perform all the duties imposed upon it hereunder and under the Auction Agency Agreement. In the absence of bad faith or negligence on its part, the Auction Agent shall not be liable for any action taken, suffered or omitted or for any error of judgment made by it in the performance of its duties under the Auction Agency Agreement and shall not be liable for any error of judgment made in good faith unless the Auction Agent shall have been negligent in ascertaining (or failing to ascertain) the pertinent facts.

(b) The Auction Agent may at any time resign and be discharged of the duties and obligations created hereby by giving at least 90 days' notice to the Trustee, the Market Agent and the Corporation. The Auction Agent may be removed at any time by the Trustee upon the written direction of the Corporation or the Owners of two-thirds in aggregate principal amount of the Bonds then Outstanding, and if by such Owners, by an instrument signed by such Owners or their attorneys and, in each case, filed with the Auction Agent, the Corporation and the Trustee upon at least 30 days' notice. Neither resignation nor removal of the Auction Agent pursuant to the preceding two sentences shall be effective until and unless a successor Auction Agent has been appointed and has accepted such appointment. If required by the Corporation, a replacement Auction Agency Agreement shall be entered into with a successor Auction Agent. Notwithstanding the foregoing, the Auction Agent may terminate the Auction Agency Agreement if, within 25 days after notifying the Trustee and the Corporation in writing that it has not received payment of any Auction Agent fee due it in accordance with the terms of the Auction Agency Agreement, the Auction Agent does not receive such payment. If the Auction Agent shall resign or be removed or be dissolved, or if the property or affairs of the Auction Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, the Corporation shall use its best efforts to appoint a successor Auction

Agent, and the Trustee shall thereupon enter into an Auction Agency Agreement with such successor. Notwithstanding that the Auction Agent is agent of the Trustee hereunder and under the Auction Agency Agreement, the Trustee shall not be liable in any way for any action taken, suffered, or omitted, or for any error of judgment made, by the Auction Agent, whether in performance of its duties under the Auction Agency Agreement or otherwise.

Section 7.02. Market Agent.

(a) Upon the issuance of any Bonds bearing interest at Auction Rates, or upon Conversion of any Bonds to an Auction Rate Period, the Trustee shall enter into a Market Agent Agreement with a Market Agent designated by the Corporation. The Corporation hereby designates RBC Capital Markets as the initial Market Agent for the Bonds, and the Trustee is hereby directed to enter into a Market Agent Agreement with RBC Capital Markets. The Market Agent shall serve as such under the terms and provisions hereof and of the Market Agent Agreement and shall perform all duties imposed upon it hereby and by the Market Agent Agreement. The Market Agent, including any successor appointed pursuant hereto, shall be a member of the National Association of Securities Dealers, Inc. having a combined capital, surplus and undivided profits of at least \$15,000,000, and be authorized by law to perform all the duties imposed upon it by the Indenture and the Market Agent Agreement. The Market Agent shall act solely as agent of the Trustee in connection with the Bonds and shall not assume any obligations or relationship of agency or trust for or with any Owners or beneficial owners.

(b) The Market Agent may at any time resign and be discharged of the duties and obligations created by the Indenture and the Market Agent Agreement upon at least 30 days' notice from the resigning Market Agent to the Corporation, the Trustee, each Paying Agent and the Auction Agent; provided that such resignation shall not be effective until the appointment of a successor Market Agent by the Corporation and the acceptance of such appointment by such successor Market Agent. The Market Agent may be replaced at the direction of the Corporation, by an instrument signed by an Authorized Officer, filed with the Market Agent and the Trustee at least 30 days before the effective date of such replacement, provided that such replacement shall not be effective until the appointment of a successor Market Agent by the Corporation and the acceptance of such appointment by such successor Market Agent. In the event that the Market Agent shall be removed or be dissolved, or if the property or affairs of the Market Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and there is no Market Agent, the Corporation shall appoint a successor Market Agent. Notwithstanding that the Market Agent is agent of the Trustee hereunder and under the Market Agent Agreement, the Trustee shall not be liable in any way for any action taken, suffered, or omitted, or for any error of judgment made, by the Market Agent, whether in performance of its duties under the Market Agent Agreement or otherwise.



(c) The Market Agent shall provide the Trustee, and, so long as no default under the Indenture has occurred and is continuing and the Bonds are held in the Book Entry System, the Auction Agent with notice of any change in the Statutory Corporate Tax Rate.

Section 7.03. Broker-Dealers. Any Auction Agent shall enter into a Broker-Dealer Agreement with a Broker-Dealer designated by the Corporation. The Corporation may, from time to time, with the approval of the Market Agent, approve one or more additional persons to serve as Broker-Dealers under Broker-Dealer Agreements. Each Broker-Dealer must (i) be a broker or dealer (each as defined in the Securities Exchange Act of 1934, as amended), commercial bank or other entity permitted by law to perform the functions required of a Broker-Dealer set forth herein, (ii) be a Participant or an affiliate of a Participant, (iii) have a capital surplus of at least \$15,000,000, and (iv) enter into a Broker-Dealer Agreement with the Auction Agent that remains effective. Any Broker-Dealer may be removed at any time, at the request of an Authorized Officer, but there shall, at all times, be at least one Broker-Dealer appointed and acting as such.

A Broker-Dealer may submit orders in auctions for its own account. Any Broker-Dealer submitting an order for its own account in any auction will have an advantage over other bidders in that it would have knowledge of other orders placed through it in that auction (but it would not have knowledge of orders placed through other Broker-Dealers, if any). As a result of the Broker-Dealer bidding, the auction clearing rate may be higher or lower than the rate that would have cleared if the Broker-Dealer had not bid. A Broker-Dealer may also bid in order to prevent what would otherwise be (i) a failed auction; or (ii) an auction clearing at a rate that the Broker-Dealer deems in its discretion, to be too high given prevailing market conditions. A Broker-Dealer may also encourage additional or revised investor bidding in order to prevent an "all-hold" auction or an auction clearing at a rate which the Broker-Dealer deems, in its discretion, to be too low given prevailing market conditions.

Section 7.04. Corporation's Covenants. (a) The Corporation shall take all reasonable action necessary to enable at least one nationally recognized statistical rating organization (as that term is used in the rules and regulations of the Securities and Exchange Commission under the Securities Exchange Act) to provide credit ratings for the Bonds.

(b) The Corporation shall use its best efforts to provide the Trustee, and, so long as no Payment Default has occurred and is continuing and the Bonds are held in the Book Entry System, the Auction Agent, with notice of any change in the maximum rate permitted by law on the Bonds.

(c) The Corporation shall not purchase or otherwise acquire Bonds unless the Corporation redeems or otherwise cancels such Bonds on the day of any such purchase or acquisition.

(d) If the Corporation determines that a Payment Default has occurred, the Corporation shall promptly provide written notice thereof to the Trustee and to the Rating Agencies.

Section 7.05. Reserved.

Section 7.06. Other Marketing Parties. Any Supplemental Indenture may provide for the appointment of any additional Marketing Parties which may be appropriate in connection with such the terms of the Bonds issued pursuant thereto; may provide for the qualifications, functions, duties, resignation, removal or replacement thereof; and may provide that any such functions or duties include any functions or duties otherwise set forth herein to be performed by the Trustee or by different Marketing Parties. The Trustee is entitled to rely on any information, representation or certificates of the Auction Agent or Market Agent. The Trustee shall have no duty or responsibility with respect to the Auction Agent or Market Agent's duties and responsibilities. Except in the case of willful misconduct or gross negligence, the Trustee shall not be liable for any action taken, suffered or omitted or for any error of judgment made by it in the performance of its duties under the Auction Agency Agreement or the Market Agent Agreement and shall not be liable for any error of judgment in ascertaining (or failure to ascertain) the pertinent facts.

ARTICLE VIII  
AMENDMENT

Section 8.01. Amendment of this Exhibit. The provisions of Article VIII of the Indenture govern all amendments to this Exhibit.

In addition to the amendatory provisions of Article VIII of the Indenture, the Corporation may amend any of the provisions of this Exhibit with respect to the Bonds while such Bonds are outstanding as either Auction Rate Bonds or Non-Auction Rate Bonds, by filing with the Trustee a Supplemental Indenture amending this Exhibit and an opinion of Bond Counsel (as defined in the Indenture).

No such amendment shall take effect until adequate notice of such amendment is given by mail to the Existing Owners of all Bonds affected by such amendment and (i) such Existing Owners have consented to such amendment in the percentage as required pursuant to Article VIII of the Indenture or (ii), if the Bonds affected by such amendment are Auction Rate Bonds, there have been two auctions with respect to the affected Bonds since notice was given in which all Sell Orders have been accepted (and such fact shall be certified by the Corporation to the Trustee), or, if the Bonds affected by such amendments are Non-Auction Rate Bonds, there has been an opportunity for the Existing Owners of the Bonds to tender such Bonds for mandatory purchase not earlier than ten days nor later than forty-five days from the giving of such notice.

Section 8.02. Consent of Marketing Parties. In addition to any consent of any party required by Article VIII of the Indenture, no provision of this Exhibit A which affects any rights or obligations of any Marketing Party shall be modified without the written consent of such Marketing Party.

## APPENDIX 1

### ALASKA STUDENT LOAN CORPORATION EDUCATION LOAN REVENUE BONDS SENIOR SERIES 2006A-1

#### NOTICE OF CONVERSION AND MANDATORY TENDER

Notice is hereby given to the registered owners of the above captioned issue (the "Bonds") of the Alaska Student Loan Corporation (the "Corporation") that:

1. In accordance with the Master Indenture of the Corporation, dated as of June 1, 2002, as supplemented (the "Indenture"), subject to the conditions hereinafter set forth, if any, the interest rate on the Bonds will be changed to a \_\_\_\_\_ Rate for a \_\_\_\_\_ Rate Period beginning on \_\_\_\_\_ (the "Effective Date").
2. The Bonds are subject to mandatory purchase on the Effective Date at a purchase price equal to the principal amount thereof plus accrued interest.
3. Such Conversion shall take effect only if the conditions set forth in the Indenture are satisfied. If such conditions are not met, the Bonds shall continue to bear interest at the same Rate and for the same Rate Period as in effect immediately before such Conversion.
4. Registered owners of Bonds are required to deliver their Bonds to the Trustee no later than [Trustee to insert proper time], New York City time, on the Effective Date at the office of the Trustee referred to above, endorsed in blank by the registered owner thereof or accompanied by an instrument of transfer thereof in form satisfactory to the Trustee executed for transfer in blank by the registered owner thereof (the Trustee being able to refuse to make payment with respect to any such Bond not endorsed in blank or for which an instrument of transfer satisfactory to it has not been provided).
5. Each registered owner of Bonds who has properly tendered such Bonds in accordance with the above provisions will be paid the purchase price therefor on the Effective Date and if such purchase price, plus interest accrued to the Effective Date which will be paid to such registered owner in accordance with the Indenture, is paid, such registered owner shall have no further rights with respect to said Bonds.
6. With respect to any registered owner of Bonds who has not properly tendered such Bonds in accordance with the above provisions of this notice, (A) such registered owner's Bonds will be deemed tendered and purchased on the Effective Date at a purchase price equal to the principal amount thereof, (B) such registered owner will be paid interest on such Bonds on the Effective Date as provided in the

Indenture and will be paid the purchase price for such Bonds upon the tender of such Bonds to the Trustee and (C) such Bonds shall, on and after the Effective Date, cease to accrue interest and after the Effective Date such registered owner will have no rights with respect to such Bonds except the right to receive payment of the purchase price equal to the principal amount thereof (without interest thereon from and after the Effective Date) upon tender of such Bonds to the Trustee.

7. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Indenture.

Dated:\_\_\_\_\_

ALASKA STUDENT LOAN CORPORATION

By:\_\_\_\_\_

Authorized Officer

## APPENDIX 2

### RESERVED

## APPENDIX 3

### RESERVED

APPENDIX 4

ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BONDS  
SENIOR SERIES 2006A-1

NOTICE OF PAYMENT DEFAULT

NOTICE IS HEREBY GIVEN that a Payment Default currently exists with respect to the above captioned issue. The next Auction for the Bonds will be held as scheduled on \_\_\_\_\_. The rate of interest on the Bonds for the next succeeding Auction Period shall be determined through application of the Auction Procedures.

Dated:\_\_\_\_\_

[TRUSTEE]

By:\_\_\_\_\_

Authorized Signatory



APPENDIX 5

ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BONDS  
SENIOR SERIES 2006A-1

NOTICE OF CURE OF PAYMENT DEFAULT

NOTICE IS HEREBY GIVEN that the Payment Default with respect to the above captioned issue has been cured. The next Interest Payment Date is \_\_\_\_\_ and the next Auction Date is scheduled to be \_\_\_\_\_.

Dated: \_\_\_\_\_

[TRUSTEE]

By: \_\_\_\_\_  
Authorized Signatory

APPENDIX 6

ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BONDS  
SENIOR SERIES 2006A-1

NOTICE OF EVENT OF DEFAULT

NOTICE IS HEREBY GIVEN that an Event of Default with respect to the above captioned issue has occurred.

Dated: \_\_\_\_\_

[TRUSTEE]

By: \_\_\_\_\_  
Authorized Signatory

APPENDIX 7

ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BONDS  
SENIOR SERIES 2006A-1

NOTICE OF WAIVER/CURE OF EVENT OF DEFAULT

NOTICE IS HEREBY GIVEN that an Event of Default with respect to the above captioned issue has been [waived] [cured]. Determination of the interest rate on the Bonds pursuant to the Auction Procedures will resume. The next Interest Payment Date is \_\_\_\_\_ and the next Auction Date is scheduled to be \_\_\_\_\_.

Dated: \_\_\_\_\_

[TRUSTEE]

By: \_\_\_\_\_  
Authorized Signatory

APPENDIX 8

ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BONDS  
SENIOR SERIES 2006A-1

NOTICE OF PURCHASE UPON CONVERSION

NOTICE IS HEREBY GIVEN that with respect to a Conversion pursuant to the Master Indenture of the Alaska Student Loan Corporation, dated as of June 1, 2002, as amended and supplemented (the "Indenture"), all of the Bonds tendered or deemed tendered have been purchased at a price equal to the principal amount thereof with funds provided from the remarketing of such Bonds in accordance with the Remarketing Agreement or from the proceeds of the Credit Enhancement. Terms used herein have the meanings assigned thereto in the Indenture.

Dated: \_\_\_\_\_

ALASKA STUDENT LOAN CORPORATION

By: \_\_\_\_\_  
Authorized Officer

## APPENDIX 9

### RESERVED

APPENDIX 10

ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BONDS  
SENIOR SERIES 2006A-1

NOTICE OF RESCISSION OF CONVERSION

NOTICE IS HEREBY GIVEN that the election to effect a Conversion to a \_\_\_\_\_  
Rate Period has been rescinded.

Dated: \_\_\_\_\_

[TRUSTEE]

By: \_\_\_\_\_  
Authorized Signatory

APPENDIX 11

ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BONDS  
SENIOR SERIES 2006A-1

NOTICE OF PROPOSED CHANGE IN AUCTION PERIOD

NOTICE IS HEREBY GIVEN that the Alaska Student Loan Corporation (the "Corporation") proposes to change the Auction Period in accordance with the Master Indenture dated as of June 1, 2002, as amended and supplemented (the "Indenture"). Assuming the conditions set forth in the Indenture are met, such change will be effective on \_\_\_\_\_. If any such condition is not met, the Auction Rate for the next succeeding Auction Period shall be established in accordance with the procedures set forth in the Indenture.

All terms not otherwise defined in this notice shall have the meanings set forth in the Indenture.

Dated: \_\_\_\_\_

ALASKA STUDENT LOAN CORPORATION

By: \_\_\_\_\_  
Authorized Officer

APPENDIX 12

ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BONDS  
SENIOR SERIES 2006A-1

NOTICE REGARDING ESTABLISHMENT OF AUCTION PERIOD

NOTICE IS HEREBY GIVEN that the Alaska Student Loan Corporation (the "Corporation") hereby authorizes the establishment of a new Auction Period consisting of a period of \_\_\_\_ days. If the condition(s) for the establishment of the new Auction Period are met, such Auction Period will commence on and end on \_\_\_\_\_. The Interest Payment Date for such Auction Period shall be \_\_\_\_\_.

Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Master Indenture of the Corporation dated as of June 1, 2002, as amended and supplemented.

Dated: \_\_\_\_\_

ALASKA STUDENT LOAN CORPORATION

By: \_\_\_\_\_  
Authorized Officer



APPENDIX 13

ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BONDS  
SENIOR SERIES 2006A-1

NOTICE OF CHANGE IN AUCTION DATE

NOTICE IS HEREBY GIVEN that the Auction Date for auctions conducted with respect to the above captioned issue has been changed to \_\_\_\_\_. The next succeeding Auction Date will be \_\_\_\_\_. In order to accommodate such change, the next succeeding Auction Period will consist of \_\_\_\_ days and shall begin on and end on \_\_\_\_\_. Interest will be paid on \_\_\_\_\_.

Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Master Indenture of the Corporation dated as of June 1, 2002, as amended and supplemented.

Dated: \_\_\_\_\_

[MARKET AGENT]

By: \_\_\_\_\_  
Authorized Officer

APPENDIX 14

ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BONDS  
SENIOR SERIES 2006A-1

NOTICE OF CHANGE IN PERCENTAGES

NOTICE IS HEREBY GIVEN that the undersigned, as Market Agent for the above identified Bonds, has determined to adjust the [percentage used to determine the All- Hold Rate] [Applicable Percentage used in determining the Maximum Auction Rate] [Applicable Percentage of the Kenny Index] to reflect a Change in Preference Law as follows: \_\_\_\_\_.

Included herewith is a copy of a Bond Counsel Opinion to the effect that such adjustment will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Dated: \_\_\_\_\_

[MARKET AGENT]

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT B**

**FORM OF AUCTION RATE BOND**

**2006 BONDS**

**ALASKA STUDENT LOAN CORPORATION**

**EDUCATION LOAN REVENUE BOND**

**SENIOR SERIES 2006A-1**

No. R- \_\_\_\_\_ \$ \_\_\_\_\_

MATURITY DATE \_\_\_\_\_, 20\_\_\_\_ DATED DATE \_\_\_\_\_, 2006 CUSIP \_\_\_\_\_

REGISTERED OWNER:

PRINCIPAL AMOUNT:

Alaska Student Loan Corporation (hereinafter called the "Corporation"), a public corporation and government instrumentality of the State of Alaska (herein called the "State") created and existing under and by virtue of the laws of the State, acknowledges itself indebted and for value received, hereby promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, unless this Bond shall have been called for redemption in whole or in part and payment of the redemption price shall have been made or duly provided for, upon presentation and surrender hereof at the principal corporate trust office of U.S. Bank National Association, Seattle Washington, as paying agent (the "Paying Agent"), the principal amount specified above and to pay interest hereon, from the Interest Payment Date (as defined in the within mentioned Supplemental Indenture) next preceding the date of authentication hereof, unless such date of authentication is prior to the first Interest Payment Date, in which case this Bond shall bear interest from the Dated Date specified above or unless such date of authentication is an Interest Payment Date, in which case this Bond shall bear interest from such Interest Payment Date; provided, however, that if as shown by the records of the Trustee (defined herein) interest on the 2006A-1 Bonds (defined herein) shall be in default, 2006A-1 Bonds issued in lieu of such 2006A-1 Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the 2006A-1 Bonds surrendered until payment of the principal hereof has been made or duly provided for. Interest on this Bond shall be paid to the person in whose name this Bond is registered on the

registration books kept by the Trustee on the Record Date specified in the Indenture, by check or draft mailed on the Interest Payment Date to such person, or in certain cases by wire transfer to such person's bank account, as described in the Indenture. The principal of and premium, if any, and interest on the 2006A-1 Bonds shall be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

This Bond is one of an authorized issue of bonds of the Corporation designated as its "Education Loan Revenue Bonds, Senior Series 2006A-1" limited in aggregate principal amount to \$\_\_\_\_\_ (the "2006A-1 Bonds") issued pursuant to a resolution duly adopted by the Board of Directors of the Corporation on April \_\_, 2006, and under and in full compliance with the Constitution and laws of the State of Alaska, in particular, Sections 100-990 of Chapter 42 of Title 14 of the Alaska Statutes, as amended (the "Act") for the purpose of obtaining funds to refund outstanding debt of the Corporation and to finance the acquisition of loans for higher education. The Corporation's Education Loan Revenue Bonds Senior Series 2006A-2 (the "2006A-2 Bonds," together with the 2006A-1 Bonds, the "2006 Bonds"), are being issued simultaneously with the 2006A-1 Bonds. The 2006A-1 Bonds are being issued under and are secured by and entitled to the protection of a Master Indenture (the "Master Indenture") dated as of June 1, 2002, as supplemented by the Fifth Supplemental Indenture dated as of May 1, 2006, (the "Fifth Supplemental Indenture" and, together with the Master Indenture, the "Indenture") between the Corporation and U.S. Bank National Association, Seattle, Washington, as trustee (the "Trustee"). The Bonds of each Series issued under the Indenture are assigned a payment priority by Class designation, with Class I being the highest priority and successively lower Classes being designated by higher Roman numerals. The 2006A-1 Bonds have been designated as Class I as more fully set forth in the Indenture.

This Bond shall initially bear interest at the rate of interest per annum established by the Broker-Dealer for the initial Auction Period pursuant to the Broker-Dealer Agreement, written notice of which shall be given to the Trustee. For each Auction Period thereafter, the unpaid principal amount hereof from time to time outstanding shall bear interest at the Auction Rate determined in accordance with the provisions of Exhibit "A" of the Fifth Supplemental Indenture, payable on each Interest Payment Date and on the date of payment or redemption of principal hereof to the extent of interest accrued on the principal then being paid or redeemed, such interest to accrue from the later of the date hereof or the date through which interest has been paid or duly provided for. Interest at the Auction Rate established from time to time pursuant to Exhibit "A" of the Fifth Supplemental Indenture shall be computed for the actual number of days elapsed on the basis of a year consisting of 360 days.

This Bond shall bear interest at an Auction Rate based on an Auction Period that shall, until adjusted pursuant to Exhibit "A" of the Fifth Supplemental Indenture, generally consist of 35 days, all as determined in Exhibit "A" of the Fifth Supplemental Indenture.

In no event shall the Auction Rate on this Bond exceed 14% per annum.

The Auction Period, the Auction Rate, the Maximum Auction Rate, the method of determining the Auction Rate and the Maximum Auction Rate on this Bond and the Auction Procedures related thereto, a change in the Auction Date and the Interest Payment Dates will be determined in accordance with the terms, conditions and provisions of, including, without limitation, required notices thereof to the Existing Owners of the 2006A-1 Bonds, the Indenture and the Auction Agency Agreement, to which terms, conditions and provisions specific reference is hereby made, and all of which terms, conditions and provisions are hereby specifically incorporated herein by reference.

This Bond is a special, limited obligation of the Corporation and is payable solely from assets and revenues specifically pledged thereto pursuant to the terms of the Indenture.

The Corporation has previously issued, and there remain outstanding, bonds under the Indenture which are entitled to share in the Trust Estate equally with the 2006A-1 Bonds. Under certain circumstances the Corporation may issue Additional Bonds under the Indenture, which may be entitled to share in the Trust Estate prior to, equally and ratably with, or subordinate to the 2006A-1 Bonds.

The Bonds do not constitute a debt, liability, or other obligation of the State or of any political subdivision of the State other than the Corporation. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof other than the Corporation is pledged to the payment of the principal of or interest on the Bonds. The Corporation has no taxing power.

Reference is made to the Indenture for a complete statement of the terms and conditions upon which the 2006A-1 Bonds of this issue have been issued and provisions made for their security and for the issuance of Additional Bonds; for a description of the rights of the owners of the 2006A-1 Bonds; the rights and obligations of the Corporation; the rights, duties and obligations of the Trustee and the Paying Agent; and the provisions relating to amendments and modifications thereof. The acceptance of the terms and conditions of such documents, copies of which are on file at the principal corporate trust office of the Trustee, is an explicit and material part of the consideration of the Corporation's issuance hereof, and each owner hereof by acceptance of this Bond accepts and assents to all such terms and conditions as if fully set forth herein.

Capitalized terms used in this Bond which are not defined herein but which are defined in the Indenture shall have the respective meanings set forth in the Indenture.

The 2006A-1 Bonds bearing interest at an Auction Rate are subject to redemption on the dates, at the redemption prices, in the amounts and upon notice all as set forth in the Indenture.

If an Event of Default (as defined in the Indenture) shall occur, the principal of all the Bonds may be, and under certain circumstances shall be, declared due and payable in the manner and with the effect provided in the Indenture.

The 2006A-1 Bonds bearing interest at an Auction Rate are issuable as registered bonds in the denomination of \$100,000 or any integral multiple thereof. Subject to the limitations provided in the Indenture and upon payment of any tax or governmental charge, 2006A-1 Bonds may be exchanged for a like aggregate principal amount of 2006A-1 Bonds of other authorized denominations.

This Bond shall be subject to mandatory tender to the Trustee, as appropriate, for purchase pursuant to Exhibit A and Exhibit E to the Fifth Supplemental Indenture prior to maturity on the Variable Rate Conversion Date applicable to this Bond (the "Mandatory Tender Date") at a purchase price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest, if any, to such Mandatory Tender Date, as applicable.

If on such Mandatory Tender Date for which there has been irrevocably deposited with the Trustee amounts sufficient to pay the purchase price of this Bond, this Bond shall be deemed to have been tendered in accordance with the provisions of Exhibit A and Exhibit E of the Fifth Supplemental Indenture. The Registered Owner of this Bond, whether or not delivered to the Trustee shall not be entitled to any payment (including any interest to accrue on and subsequent to the Mandatory Tender Date) other than the purchase price for this Bond, and this Bond shall no longer be entitled to the benefits of the Indenture, except for the purpose of payment of the purchase price therefor.

This Bond is transferable by the registered owner hereof or his duly authorized attorney on the registration books of the Corporation kept at the principal office of the bond registrar, upon surrender of this Bond accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Registrar, subject to such reasonable regulations as the Corporation, the Trustee, the Registrar or the Paying Agent may prescribe, and upon payment of any tax or other governmental charge incident to such transfer. Upon any such transfer a new Bond or Bonds of authorized denomination or denominations of the same Series, level of priority, aggregate principal amount, interest rate and maturity will be issued to the transferee in exchange therefor, all upon payment of the charges and subject to the terms and conditions set forth in the Indenture. The Corporation and any fiduciary may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether or not this Bond shall be overdue, for the purpose of receiving

payment and for all other purposes, and neither the Corporation nor any fiduciary shall be affected by any notice to the contrary.

No recourse, either directly or indirectly, shall be had for the payment of principal or redemption price of, or interest on, this Bond, or for any claim based hereon or on the Indenture, against any member, officer or employee, past, present or future, of the Corporation or of any successor body, as such, either directly or through the Corporation or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, but the obligation to pay all amounts required by the Indenture securing this Bond and the obligation to do and perform the covenants and acts required of the Corporation therein and herein shall be and remain the responsibility and obligation of said Corporation, limited as herein set forth.

Neither the members of the Corporation nor any person executing this Bond shall be liable personally hereon or shall be subject to any personal liability or accountability by reason of its execution.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been executed by an Authenticating Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to be done, to exist, to happen and to be performed in order to make this Bond a valid and binding obligation of the Corporation according to its terms, have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

IN WITNESS WHEREOF, the Corporation has caused this Bond to be executed with the manual or facsimile signature of its Executive Officer and its seal or a facsimile thereof to be hereto affixed, and to be signed and attested with the manual or facsimile signature of an Authorized Officer.

ALASKA STUDENT LOAN CORPORATION

[ S E A L ]

By \_\_\_\_\_  
Executive Officer

A T T E S T :

\_\_\_\_\_  
Authorized Officer



## **TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds described in the within-mentioned Fifth Supplemental Indenture and is one of the Education Loan Revenue Bonds, Senior Series 2006A-1, of the Alaska Student Loan Corporation.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_  
Authorized Signatory

Date of Authentication:

\_\_\_\_\_

## ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_, the undersigned  
sells, assigns and transfers unto \_\_\_\_\_ (Tax Identification or  
Social Security No. \_\_\_\_\_) the within Bond and all rights thereunder, and  
hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney for  
registration thereof, with full power of substitution in the premises.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

NOTICE: The signature to this  
assignment must correspond with the  
name of the Registered Owner as it  
appears upon the face of the within  
Bond in every particular, without  
alteration or enlargement or any  
change whatever.

Signature Guaranteed:

\_\_\_\_\_  
The signature(s) should be guaranteed  
by an eligible guarantor institution  
(banks, stockbrokers, savings and loan  
associations and credit unions with  
membership in an approved signature  
guarantee medallion program), pursuant  
to S.E.C. Rule 17Ad-15.

**EXHIBIT C**

FORM OF SERIES 2006A-1 NON-AUCTION RATE BOND

ALASKA STUDENT LOAN CORPORATION

EDUCATION LOAN REVENUE BOND

SENIOR SERIES 2006A-1

No. \_\_\_\_\_ \$ \_\_\_\_\_

<u>INTEREST</u> <u>RATE MODE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
Non-Auction			

REGISTERED OWNER:

PRINCIPAL AMOUNT:

Alaska Student Loan Corporation (hereinafter called the "Corporation"), a public corporation and government instrumentality of the State of Alaska (herein called the "State") created and existing under and by virtue of the laws of the State, acknowledges itself indebted and for value received, hereby promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, unless this Bond shall have been called for redemption in whole or in part and payment of the redemption price shall have been made or duly provided for, upon presentation and surrender hereof at the principal corporate trust office of U.S. Bank National Association, Seattle, Washington, as paying agent (the "Paying Agent"), the principal amount specified above and to pay upon the Non-Auction Rate Conversion Date interest hereon at a Non-Auction Rate for an Interest Period to be established by the Corporation pursuant to Exhibit "E" of the Fifth Supplemental Indenture. Thereafter, this Bond may be converted to bear interest at another Non-Auction Rate pursuant to Exhibit E of the Fifth Supplemental Indenture; provided, however, that if as shown by the records of the Trustee (defined herein) interest on the 2006A-1 Bonds (defined herein) shall be in default, 2006A-1 Bonds issued in lieu of such 2006A-1 Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the 2006A-1 Bonds surrendered until payment of the principal hereof has been made or duly provided for. Interest on this Bond shall be paid to the person in whose name this Bond is registered on the registration books kept by the Trustee on the Record Date specified in the Indenture, by check or draft mailed on the Interest Payment Date to such person, or in certain cases by wire transfer to such

person's bank account, as described in the Indenture; provided that, if this Bond is not a Book-Entry Bond and bears interest at a Flexible Rate, interest on this Bond shall only be paid upon presentation of this Bond to the Tender Agent. The principal of and premium, if any, and interest on the 2006A-1 Bonds shall be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

This Bond is one of an authorized issue of bonds of the Corporation designated as its "Education Loan Revenue Bonds, Senior Series 2006A-1" limited in aggregate principal amount to \$\_\_\_\_\_ (the "2006A-1 Bonds") issued pursuant to a resolution duly adopted by the Board of Directors of the Corporation on April \_\_, 2006 and under and in full compliance with the Constitution and laws of the State of Alaska, in particular, Sections 100-990 of Chapter 42 of Title 14 of the Alaska Statutes, as amended (the "Act") for the purpose of obtaining funds to refund outstanding bonds of the Corporation and to finance the acquisition of loans for higher education. The Corporation's Education Loan Revenue Bonds, Senior 2006A-1 and Education Loan Revenue Bonds, Senior Series 2006A-2 (the "2006A-2 Bonds" and, collectively with the 2006A-1 Bonds, the "2006 Bonds"), are being issued simultaneously with the 2006A-1 Bonds. The 2006 Bonds are being issued under and are secured by and entitled to the protection of a Master Indenture (the "Master Indenture") dated as of June 1, 2002, as supplemented by the Fifth Supplemental Indenture dated as of May 1, 2006, (the "Fifth Supplemental Indenture" and, together with the Master Indenture, the "Indenture") between the Corporation and U.S. Bank National Association, Seattle, Washington, as trustee (the "Trustee"). The Bonds of each Series issued under the Master Indenture are assigned a payment priority by Class designation, with Class I being the highest priority and successively lower Classes being designated by higher Roman numerals. The 2006A-1 Bonds have been designated as Class I as more fully set forth in the Indenture.

This Bond shall bear interest at a Non-Auction Rate as defined by the Remarketing Agent and announced to the Trustee and the Corporation on each Rate Determination Date for such 2006A-1 Bonds and such Non-Auction Rate shall be the rate of interest borne by such 2006A-1 Bonds for the Interest Period commencing on the Rate Adjustment Date for such Interest Period. The Non-Auction Rate to be borne by the 2006A-1 Bonds for any Interest Period related to such 2006A-1 Bonds shall, subject to the other provisions of this subsection, be the rate determined by the Remarketing Agent, in its discretion, to be that rate which, if borne by the 2006A-1 Bonds would, in its judgment, having due regard to the prevailing financial market conditions, be the interest rate necessary, but which would not exceed the interest rate necessary, to enable the Remarketing Agent to sell such 2006A-1 Bonds at par (disregarding accrued interest) if tendered for payment pursuant to Exhibit E to the Fifth Supplemental Indenture (whether or not so tendered); provided that if the Remarketing Agent shall fail or refuse to determine a Non-Auction Rate on any Rate Determination Date, the Non-Auction Rate most recently determined for the 2006A-1 Bonds shall

remain in effect; and provided further that no Non-Auction Rate shall exceed the Interest Rate Limitation.

While 2006A-1 Bonds bear interest at a Non-Auction Rate, from time to time, the Corporation may designate different Interest Periods to be applicable to such 2006A-1 Bonds and to be effective on any Conversion Date established for such 2006A-1 Bonds, all as provided in the Indenture.

This Bond is a special, limited obligation of the Corporation and is payable solely from assets and revenues specifically pledged thereto pursuant to the terms of the Indenture. The Corporation has previously issued, and there remain outstanding, bonds under the Master Indenture which are entitled to share in the Trust Estate equally with the 2006A-1 Bonds. Under certain circumstances Additional Bonds may be issued under the Indenture, which may be entitled to share in the Trust Estate prior to, equally and ratably with, or subordinate to, the 2006A-1 Bonds.

The Bonds do not constitute a debt, liability, or other obligation of the State or of any political subdivision of the State other than the Corporation. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof other than the Corporation is pledged to the payment of the principal of or interest on the Bonds. The Corporation has no taxing power.

Reference is made to the Indenture for a complete statement of the terms and conditions upon which the 2006A-1 Bonds of this issue have been issued and provisions made for their security and for the issuance of Additional Bonds; for a description of the rights of the owners of the 2006A-1 Bonds; the rights and obligations of the Corporation; the rights, duties and obligations of the Trustee and the Paying Agent; and the provisions relating to amendments and modifications thereof. The acceptance of the terms and conditions of such documents, copies of which are on file at the principal corporate trust office of the Trustee, is an explicit and material part of the consideration of the Corporation's issuance hereof, and each owner hereof by acceptance of this Bond accepts and assents to all such terms and conditions as if fully set forth herein.

Capitalized terms used in this Bond which are not defined herein but which are defined in the Indenture shall have the respective meanings set forth in the Indenture.

The 2006A-1 Bonds bearing interest at a Non-Auction Rate are subject to redemption on the dates, in the amounts, at the prices and with notice all as described in the Indenture.

The 2006A-1 Bonds are subject to mandatory redemption as provided in the Indenture.

If an Event of Default (as defined in the Indenture) shall occur, the principal of all the Bonds may be, and under certain circumstances shall be, declared due and payable in the manner and with the effect provided in the Indenture.

The 2006A-1 Bonds bearing interest at a Non-Auction Rate are issuable as registered Bonds in the denomination of \$5,000 or any integral multiple thereof. Subject to the limitations provided in the Indenture and upon payment of any tax or governmental charge, 2006A-1 Bonds may be exchanged for a like aggregate principal amount of 2006A-1 Bonds of other authorized denominations.

So long as this Bond is registered to and held by or for the Bank as the result of a purchase pursuant to the Indenture, it shall bear interest at the rate, and computed and payable in the manner, specified in the Reimbursement Agreement, as defined in the Indenture.

This Bond may bear interest at a Daily Rate, a Weekly Rate, a Monthly Rate, a Flexible Rate, a Term Rate or a Fixed Rate. This Bond shall initially bear interest at a \_\_\_\_\_ Rate. While the 2006A-1 Bonds bear interest at a Non-Auction Rate, pursuant to the procedures and subject to certain conditions set forth in the Indenture, the rate of interest borne by the 2006A-1 Bonds may, on any Interest Payment Date, be changed to another of the rates listed above or to an Auction Rate as provided in the Indenture.

The Interest Payment Dates with respect to the 2006A-1 Bonds shall be each June 1 and December 1 following the Non-Auction Rate Conversion Date; provided that, for purposes of payment of interest on the Bonds, if any such date is not a Business Day, such payment shall be made on the next day which is a Business Day with the same effect as if made on such date. With respect to any Daily Rate Period, interest shall be computed on the basis of a year of 365 or 366 days, as appropriate, for the number of days actually elapsed during such Rate Period; with respect to any other Interest Period shorter than a Long-Term Rate Period, interest shall be computed for the actual number of days elapsed on the basis of a year of 365 or 366 days, as appropriate for the number of days actually elapsed based on the calendar year in which such period commences; and with respect to any Long-Term Rate Period, interest shall be computed on the basis of a 360-day year of twelve 30-day months.

This Bond shall be subject to optional and mandatory tender to the Trustee, as appropriate, for purchase pursuant to Exhibit E to the Fifth Supplemental Indenture.

So long as the ownership of this Bond is maintained in book-entry form by the Depository, a beneficial owner may sell, transfer or otherwise dispose of its beneficial interest in this Bond only pursuant to the procedures of DTC.

No recourse, either directly or indirectly, shall be had for the payment of principal or redemption price of, or interest on, this Bond, or for any claim based hereon or on

the Indenture, against any member, officer or employee, past, present or future, of the Corporation or of any successor body, as such, either directly or through the Corporation or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, but the obligation to pay all amounts required by the Indenture securing this Bond and the obligation to do and perform the covenants and acts required of the Corporation therein and herein shall be and remain the responsibility and obligation of said Corporation, limited as herein set forth.

Neither the members of the Corporation nor any person executing this Bond shall be liable personally hereon or shall be subject to any personal liability or accountability by reason of its execution.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been executed by an Authenticating Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to be done, to exist, to happen and to be performed in order to make this Bond a valid and binding obligation of the Corporation according to its terms, have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required.

IN WITNESS WHEREOF, the Corporation has caused this Bond to be executed with the manual or facsimile signature of its Executive Officer and its seal or a facsimile thereof to be hereto affixed, and to be signed and attested with the manual or facsimile signature of an Authorized Officer.

ALASKA STUDENT LOAN CORPORATION

[ S E A L ]

By \_\_\_\_\_  
Executive Officer

A T T E S T:

\_\_\_\_\_  
Authorized Officer

## TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Fifth Supplemental Indenture and is one of the Education Loan Revenue Bonds, Senior Series 2006A-1, of the Alaska Student Loan Corporation.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_  
Authorized Signatory

Date of Authentication:

\_\_\_\_\_



## ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_, the undersigned sells, assigns and transfers unto \_\_\_\_\_ (Tax Identification or Social Security No. \_\_\_\_\_) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney for registration thereof, with full power of substitution in the premises.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

**EXHIBIT D**

FORM OF FIXED RATE BOND  
ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BOND  
SENIOR SERIES 2006A-2

Maturity Date: \_\_\_\_\_ 1, 20\_\_\_\_  
Interest Rate: \_\_\_\_\_ %  
Principal Amount: \$ \_\_\_\_\_

No. R-\_\_\_\_  
CUSIP No.: \_\_\_\_\_

Alaska Student Loan Corporation (hereinafter called the "Corporation"), a public corporation and government instrumentality of the State of Alaska (herein called the "State") created and existing under and by virtue of the laws of the State, acknowledges itself indebted, and for value received hereby promises to pay to CEDE & Co., or registered assigns, the principal amount specified above on the maturity date specified above, upon the presentation and surrender hereof, and to pay interest on said principal sum to the registered owner of this Bond from the date hereof, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the Corporation's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above, payable December 1, 2006, and semi-annually thereafter on the first day of June and on the first day of December (the "Interest Payment Dates"). The principal of this Bond is payable when due upon presentation and surrender hereof at the corporate trust office of U.S. Bank National Association, Seattle, Washington, as Trustee, or as otherwise directed by the Trustee. Interest on this Bond shall be paid by mailing a check on the Interest Payment Date for such interest payable to or upon the written order of the person entitled thereto (such person being the holder of record on the Record Date, as defined below, applicable to such Interest Payment Date) at such person's address as it appears on the bond register of the Corporation; provided, however, that the registered owner of this Bond may request

payment of interest at the corporate trust office of U.S. Bank National Association, Seattle, Washington, on any Interest Payment Date if such registered owner notifies the Trustee in writing not later than 30 days before such Interest Payment Date of such registered owner's election to so receive such payment of interest; and provided, further, that the registered owner of \$1,000,000 or more in principal amount of the Bonds shall be paid interest by wire transfer to an account in the United States if such registered owner makes a written request to the Trustee at least 30 days before the Interest Payment Date on which such wire transfer payments are to begin, specifying the account address; provided, however, that while this Bond is held in a Book Entry System, principal of and interest on this Bond shall be paid as provided in the hereinafter described Indenture. Interest on this Bond will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Payment shall be made in lawful money of the United States of America.

This Bond is one of the Bonds of the Corporation designated "Alaska Student Loan Corporation, Education Loan Revenue Bonds, Senior Series 2006A-2" (herein called the "2006A-2 Bonds" or the "Bonds"), authorized to be issued under and pursuant to Sections 100 -- 390 of Chapter 42 of Title 14 of the Alaska Statutes, as amended (herein called the "Act"), for the purpose of obtaining funds to refund outstanding debt of the Corporation and to finance the acquisition of loans for higher education. The Corporation's Education Loan Revenue Bonds Senior Series 2006A-1 (the "2006A-1 Bonds," together with the 2006A-2 Bonds, the "2006 Bonds"), are being issued simultaneously with the 2006A-2 Bonds. The 2006 Bonds are being issued under and are secured by and entitled to the protection of a Master Indenture (the "Master Indenture") dated as of June 1, 2002, as supplemented by the Fifth Supplemental Indenture dated as of May 1, 2006, (the "Fifth Supplemental Indenture" and, together with the Master Indenture, the "Indenture") between the Corporation and U.S. Bank National Association, Seattle, Washington, as trustee (the "Trustee"). The Bonds of each Series issued under the Indenture are assigned a payment priority by Class designation, with Class I being the highest priority and successively lower Classes being designated by higher Roman numerals. The 2006A-2 Bonds have been designated as Class I as more fully set forth in the Indenture. Unless otherwise defined herein, capitalized words used herein shall have the meaning assigned to them in the Indenture.

The Record Date in respect of any Interest Payment Date on this Bond shall be the fifteenth day of the month preceding each Interest Payment Date.

The Bonds are issued in the aggregate principal amount of \$\_\_\_\_\_ under the Indenture in denominations of \$5,000 and any integral multiple thereof, in fully registered form only. Copies of the Master Indenture and Fifth Supplemental Indenture are on file at the office of the Corporation in Juneau, Alaska, and at the corporate trust office of the Trustee, and reference to the Master Indenture and the Fifth Supplemental Indenture and any and all supplements, modifications, and amendments to either of them and to the Act is made for a description of the pledges and covenants securing

the Bonds, the nature, extent, and manner of enforcement of such pledges, the rights and remedies of the registered owners of the Bonds with respect thereto, and the terms and conditions upon which the Bonds have been issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture or any indenture amendatory thereof or supplemental thereto (including the Fifth Supplemental Indenture) may be modified or amended by the Corporation. The holder of this Bond shall have no right to enforce the provisions of the Master Indenture or the Fifth Supplemental Indenture, to institute action to enforce the provisions of the Master Indenture or the Fifth Supplemental Indenture, or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Master Indenture and the Fifth Supplemental Indenture. In certain events, on the conditions, in the manner, and with the effect set forth in the Master Indenture and the Fifth Supplemental Indenture, all or part of the principal of the Bonds, with accrued interest thereon, may become or may be declared due and payable before the maturity thereof.

The Bonds are not transferable when held in the Book Entry System except out of the Book Entry System under the conditions described in the Fifth Supplemental Indenture. This Bond is transferable, as provided in the Indenture, only upon the bond register of the Corporation kept by the Trustee, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount, interest rate, and maturity shall be issued to the transferee in exchange therefor as provided in the Indenture and upon the payment of charges, if any, as therein prescribed. The Corporation and the Trustee may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever.

Subject to any agreements heretofore or hereafter made with the persons who shall hold any other bonds or notes of the Corporation pledging any particular revenues or assets not pledged under the Master Indenture or Fifth Supplemental Indenture, this Bond is a direct and general obligation of the Corporation, and the full faith and credit of the Corporation is hereby pledged to the payment of the principal hereof and interest hereon.

The Bonds maturing prior to June 1, 2017 are not subject to redemption prior to maturity. The Bonds maturing on or after June 1, 2017 are subject to optional redemption by the Corporation on or after June 1, 2016, in whole or in part, on any date in amounts of \$5,000, with maturities selected by the Corporation, at a price of 100% of the principal amount redeemed plus accrued interest to the date of such redemption.

Notice of such redemption will be in the manner set forth in the Fifth Supplemental Indenture.

The Bonds do not constitute a debt, liability, or other obligation of the State or of any political subdivision of the State other than the Corporation. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof other than the Corporation is pledged to the payment of the principal of or interest on the Bonds. The Corporation has no taxing power.

Neither the members of the Corporation nor any person executing this Bond shall be liable personally hereon or shall be subject to any personal liability or accountability by reason of its execution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Master Indenture or the Fifth Supplemental Indenture until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State and the Master Indenture and the Fifth Supplemental Indenture to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond exist, have happened, and have been performed in due time, form, and manner as required by law and that the issue of the Bonds, together with all other indebtedness of the Corporation, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Alaska Student Loan Corporation has caused this Bond to be executed in its name by the manual signature of its Chair or Executive Officer, attested by the manual signature of an Authorized Officer, and its corporate seal to be affixed, imprinted, engraved, or otherwise reproduced hereon.

ALASKA STUDENT LOAN CORPORATION

[SEAL]

By \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Authorized Officer

## **TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds described in the within-mentioned Fifth Supplemental Indenture and is one of the Education Loan Revenue Bonds, Senior Series 2006A-2, of the Alaska Student Loan Corporation.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_  
Authorized Signatory

Date of Authentication:

\_\_\_\_\_

## **EXHIBIT E**

### **NON-AUCTION RATE PROVISIONS**

Relating to

Alaska Student Loan Corporation  
Education Loan Revenue Bonds  
Senior Series 2006A-1 (the "Bonds")

This Exhibit E shall for all purposes be deemed to be a part of the Supplemental Indenture to which it is attached.

### **ARTICLE I DEFINITIONS**

Section 1.01. Application of Exhibit E; Definitions. (a) The provisions of this Exhibit E apply to the Bonds at all times that the Bonds bear interest at a Non-Auction Rate. The provisions of this Exhibit E, except as may otherwise be expressly provided herein, shall be deemed to apply separately and independently to each Series and Subseries, if any, of the Bonds.

(b) Capitalized terms used in this Exhibit E and not otherwise defined herein shall have the meanings ascribed thereto in the Indenture dated as of June 1, 2002, between the Alaska Student Loan Corporation and Zion National Bank, as Trustee (as amended and supplemented from time to time, the "Indenture"). In addition, the following terms, except where the context indicates otherwise, shall have the respective meanings set forth below:

"Adjustable Rate" means any Daily Rate, Flexible Rate, Monthly Rate or Weekly Rate, or any Term Rate for a Term Rate Period ending before the Stated Maturity Date of the Bonds bearing interest at such rate.

"Adjustable Rate Period" means a Rate Period for Bonds bearing interest at an Adjustable Rate.

"Auction Agent" has the meaning set forth in Exhibit A to the Supplemental Indenture.

"Auction Rate" has the meaning set forth in Exhibit A to the Supplemental Indenture.



"Auction Rate Period" has the meaning set forth in Exhibit A to the Supplemental Indenture.

"Bond" means any Bond issued pursuant to the Supplemental Indenture.

"Business Day" has the meaning set forth in the Indenture.

"Calculation Period" means any daily, weekly, monthly, flexible, term or other period for which an Adjustable Rate or a Fixed Rate is determined while the Bonds bear interest at such Adjustable Rate or Fixed Rate.

"Conversion" means any conversion of any Bonds (from time to time in accordance with the terms hereof) from one Rate Period to another Rate Period.

"Conversion Date" means the effective date of any Conversion.

"Credit Enhancement Expiration Date" means (i) the second Business Day next preceding the day on which any Credit Enhancement shall terminate by its terms, as such date may be extended pursuant to a renewal of such Credit Enhancement, or (ii) the second Business Day before the delivery of any substitute Credit Enhancement which is not accompanied by a Rating Confirmation.

"Daily Rate" means the variable interest rate on any Bond established pursuant to Section 2.03(i)(A) hereof.

"Daily Rate Period" means each period during which Daily Rates are in effect.

"Determination Date" means, for any Calculation Period, the date for determination of the applicable Adjustable Rate as set forth in Section 2.03(i)(A), (ii)(A), (iii)(A), (iv)(A) or (v)(A) herein.

"Fixed Rate" means a Term Rate for a period ending on the Stated Maturity Date of the Bonds bearing interest at such rate.

"Flexible Rate" means the rate of interest borne by any Bond and established pursuant to Section 2.03(v)(A) hereof.

"Flexible Rate Period" means each period comprised of Flexible Segments during which Flexible Rates are in effect.

"Flexible Segment" means a period established as described in Section 2.03(v)(A) hereof.

"Interest Period" means any Auction Period or a Calculation Period.

"Interest Rate Limitation" means the maximum rate of interest allowable by law or, if less, the rate of interest specified in any Credit Enhancement or related documentation which is used to determine the amount available under such Credit Enhancement for payment of interest due and payable to holders of the Bonds.

"Long-Term Rate" means any interest rate applicable to the Bonds during a Long-Term Rate Period.

"Long-Term Rate Period" means each period during which a single rate of interest on any Bond is in effect for more than one year.

"Market Agent" has the meaning set forth in Exhibit A to the Supplemental Indenture.

"Monthly Rate" means the variable interest rate on the Bonds established pursuant to Section 2.03(iii)(A) hereof.

"Monthly Rate Period" means each period during which Monthly Rates are in effect.

"Notice of Election to Tender" means the notice given by an Owner pursuant to Section 5.03 hereof in the form of Appendix 2 hereto.

"Purchase Date" means any date on which any Bond is required to be purchased as provided in Section 5.03 or 5.04 hereof.

"Rate Period" means any Auction Rate Period, Daily Rate Period, Flexible Rate Period, Monthly Rate Period, Term Rate Period or Weekly Rate Period.

"Record Date" means the fifteenth day of the month preceding each Interest Payment Date.

"Remarketing Agent" means any person designated as such pursuant to Section 7.04 hereof, and its successors or assigns.

"Remarketing Agreement" means any remarketing agreement between the Corporation and a Remarketing Agent, as from time to time amended and supplemented.

"Stated Maturity Date" means the stated maturity date of any Bonds.

"Supplemental Indenture" means the Supplemental Indenture to which this Exhibit E is attached.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government, including the Tax-Exempt Bonds, that such interest is excluded from the gross income of the holders thereof (other than any holder who is a "substantial user" of facilities financed with such obligations or a "related person" within the meaning of Section 147(a) of the Code) for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

"TBMA Municipal Index" means The Bond Market Association Municipal Index as of the most recent date for which such index was published or such other weekly, high-grade index comprised of seven-day, Tax-Exempt variable rate demand notes produced by Municipal Market Data, Inc., or its successor, or as otherwise designated by The Bond Market Association; provided, however, that, if such index is no longer produced by Municipal Market Data, Inc. or its successor, then "TBMA Municipal Index" shall mean such other reasonably comparable index selected by the Corporation with the advice of the Remarketing Agent, if any.

"Tender Agent" means any person designated as such pursuant to Section 7.05 hereof, and its successors or assigns.

"Term Rate" means the interest rate on any Bond established pursuant to Section 2.03(iv)(A) hereof.

"Term Rate Period" means each period during which a particular Term Rate is in effect.

"Variable Rate" means a single rate of interest on any Bond which remains in effect for one year or less.

"Variable Rate Period" means each period during which a Variable Rate is in effect.

"Weekly Rate" means the variable interest rate on the Bonds established pursuant to 2.03(ii)(A) hereof.

"Weekly Rate Period" means each period during which Weekly Rates are in effect.

(c) The words "hereof," "herein," "hereto," "herewith," "hereby" and "hereunder" refer to this Exhibit E.

## ARTICLE II INTEREST PROVISIONS

#### Section 2.01. Interest on Bonds -- General.

(a) During Daily Rate Periods, interest on the Bonds shall be computed on the basis of a 365- or 366-day year for the number of days actually elapsed during such Rate Periods. During all other Variable Rate Periods, interest on the Bonds shall be computed on the basis of a 365- or 366-day year for the number of days actually elapsed based on the calendar year in which such Period commences. During any Long-Term Rate Period, interest on the Bonds shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months. Interest on any Bond bearing a Flexible Rate (except any such Bond which is a Book-Entry Bond) shall be paid only upon presentation to the Tender Agent of the Bond on which such payment is due.

(b) Upon their initial issuance, the Bonds shall bear interest at an Auction Rate for the Rate Period as provided in the Supplemental Indenture and Exhibit A to the Supplemental Indenture. After their initial issuance, the Corporation may cause the Conversion of the Bonds. Upon any such Conversion, the Bonds shall bear interest for such Rate Period as shall be identified as part of such Conversion. The term of each Bond shall be divided into consecutive Rate Periods during which such Bond may bear interest at an Auction Rate, Daily Rate, Flexible Rate(s), Monthly Rate, Term Rate or Weekly Rate. Any such Rate Period established with respect to any Bonds shall continue in effect unless and until adjusted to a different Rate Period as provided herein or in Exhibit A to the Supplemental Indenture, as applicable. From and after any Conversion pursuant to Article IV hereof, the Bonds shall bear interest determined in accordance with the provisions hereof pertaining to the new Rate Period, unless the new Rate Period is an Auction Rate Period, in which case the Bonds shall bear interest determined in accordance with the provisions of Exhibit A to the Supplemental Indenture. The Bonds shall bear interest for each Calculation Period at the rate of interest per annum for such Calculation Period established in accordance herewith, payable as provided in Section 2.4 of the Indenture.

#### Section 2.02. Calculation of Interest.

(a) By 10:30 a.m. (New York City time) on each Determination Date for Bonds in a Daily Rate Period, or by 11:30 a.m. (New York City time) on each other Determination Date, as the case may be, the Remarketing Agent shall make available and deliver in writing to the Corporation, the Trustee, any Credit Provider, and any registered owner of a Bond the interest rate or rates determined on such Determination Date.

(b) If, for any reason, on any Determination Date (i) no Remarketing Agent is serving as such hereunder or (ii) the rate so determined is held to be invalid or unenforceable by a final judgment of a court of competent jurisdiction, the interest rate for the next succeeding Calculation Period shall be the same rate as for the current Calculation Period or as otherwise determined in accordance with any formula specified by the Conversion Supplement providing for such Calculation Period. The Corporation

shall select any person otherwise meeting the qualifications of Section 7.04 of this Exhibit E to obtain, calculate, prepare and deliver any of the information required by this subsection.

(c) The determination of any Adjustable Rate or the establishment of Calculation Periods by the Remarketing Agent in accordance with the provisions of this Exhibit E or of any Conversion Supplement shall be conclusive and binding upon the Corporation, the Trustee, the Remarketing Agent, the Credit Provider, if any, and the registered or beneficial owners of the Bonds. Failure of the Remarketing Agent, the Trustee, the Securities Depository or any Participant to give any of the notices described in the Indenture, or any defect therein, shall not affect the interest rate to be borne by any of the Bonds nor the applicable Calculation Period nor in any way change the rights of the registered owners of the Bonds to tender their Bonds for purchase or to have them redeemed in accordance with the Indenture.

(d) The Trustee shall calculate the amount of interest due and payable on each Interest Payment Date or Purchase Date by 12:00 noon (New York City time) on the Business Day next preceding such Interest Payment Date or Purchase Date, as the case may be. In preparing such calculation the Trustee may rely on calculations or other services provided by the Remarketing Agent, the Corporation or any person or persons selected by the Trustee in its discretion.

(e) Anything herein to the contrary notwithstanding, in no event shall the interest rate borne by any Bond exceed the Interest Rate Limitation.

Section 2.03. Rate Periods. The provisions for determination and payment of the interest on any Bonds bearing interest at any other Adjustable Rate or Fixed Rate are as follows:

(i) Daily Rate.

(A) Determination of Daily Rate. During each Daily Rate Period for any Bonds, such Bonds shall bear interest at the Daily Rate, determined by the Remarketing Agent on or before each Business Day for such Business Day. The Daily Rate shall be the rate determined by the Remarketing Agent to be the lowest rate which would enable the Remarketing Agent to sell the Bonds for delivery on the effective date of such rate at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. The Remarketing Agent shall determine the minimum Daily Rate no later than 10:00 a.m. (New York City time), will then modify the interest rate as necessary and determine the final Daily Rate no later than 11:00 a.m. (New York City time), on the date of determination. The Remarketing Agent will give the Trustee and the Corporation Electronic notice of any change between the minimum Daily Rate and the final Daily Rate by 12:00 noon (New York City time) on the date of determination. If the Remarketing Agent shall not have determined a Daily Rate for any day by 11:00 a.m. (New York City time) on such day, the Daily Rate shall be the same as the Daily

Rate for the immediately preceding day; and if the Remarketing Agent determines that the Daily Rate for any Business Day is the same as the Daily Rate in effect on the immediately preceding Business Day, the Remarketing Agent is not required to notify the Trustee or the Corporation of such determination. In no event shall the Daily Rate exceed the Interest Rate Limitation.

(B) Conversion to a Daily Rate Period. At any time the Corporation may, by written notice as provided in Section 4.01(a) of this Exhibit E, elect that any Bonds shall bear interest at a Daily Rate, subject to rescission of such election as provided in Section 4.02 of this Exhibit E. The effective date of such Conversion to a Daily Rate shall be a Business Day and (a) in the case of a Conversion from a Term Rate Period, shall be a day on which the Bonds would be permitted to be redeemed at the option of the Corporation as provided in Section 5.02 hereof; (b) in the case of a Conversion from a Monthly Rate Period, shall be the first Business Day of a month; (c) in the case of a Conversion from a Flexible Rate Period, shall be the day after the last day of the Flexible Segment from which the Conversion is to be made; and (d) in the case of a Conversion from an Auction Rate Period, shall be the day after the last day of an Auction Period applicable to such Bonds; provided, however, that if prior to the Corporation's making such election, any such Bonds shall have been called for redemption and such redemption shall not have theretofore been effected, the effective date of such Daily Rate Period shall not precede such redemption date.

(ii) Weekly Rate.

(A) Determination of Weekly Rate. During each Weekly Rate Period for any Bonds, such Bonds shall bear interest at the Weekly Rate, determined by the Remarketing Agent no later than the first day of such Weekly Rate Period and thereafter no later than Wednesday of each week during such Weekly Rate Period, unless any such Wednesday shall not be a Business Day, in which event the Weekly Rate shall be determined by the Remarketing Agent no later than the Business Day immediately preceding such Wednesday. The Weekly Rate shall be the rate determined by the Remarketing Agent to be the lowest rate which would enable the Remarketing Agent to sell the Bonds for delivery on the effective date of such rate at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If the Remarketing Agent shall not have determined a Weekly Rate for any period by the time specified above, the Weekly Rate shall be the same as the Weekly Rate in effect for the immediately preceding week. In no event shall any Weekly Rate be greater than the Interest Rate Limitation. The first Weekly Rate determined for each Weekly Rate Period shall apply to the period commencing on the first day of such Weekly Rate Period and ending on the next succeeding Wednesday. Thereafter, each Weekly Rate shall apply to the period commencing on each Thursday and ending on the next succeeding Wednesday, unless such Weekly Rate Period shall end on a day other than Wednesday, in which event the last Weekly Rate for such Weekly Rate Period shall apply to the period commencing on the Thursday preceding the last day of such Weekly Rate Period and ending on such last day. The Remarketing Agent

shall provide the Trustee and the Corporation with written, telephonic or Electronic notice of each Weekly Rate, as determined, on the Determination Date for such Weekly Rate.

(B) Conversion to a Weekly Rate Period. At any time the Corporation may, by written notice as provided in Section 4.01(a) of this Exhibit E, elect that any Bonds shall bear interest at a Weekly Rate, subject to rescission of such election as provided in Section 4.02 of this Exhibit E. The effective date of such Conversion to a Weekly Rate shall be a Business Day and (a) in the case of a Conversion from a Term Rate Period, shall be a day on which the Bonds would be permitted to be redeemed at the option of the Corporation as provided in Section 5.02 hereof; (b) in the case of a Conversion from a Monthly Rate Period, shall be the first Business Day of a month; (c) in the case of a Conversion from a Flexible Rate Period, shall be the day after the last day of the Flexible Segment from which the Conversion is to be made; and (d) in the case of a Conversion from an Auction Rate Period, shall be the day after the last day of an Auction Period applicable to such Bonds; provided, however, that if prior to the Corporation's making such election, any such Bonds shall have been called for redemption and such redemption shall not have theretofore been effected, the effective date of such Weekly Rate Period shall not precede such redemption date.

(iii) Monthly Rate.

(A) Determination of Monthly Rate. During each Monthly Rate Period for any Bonds, such Bonds shall bear interest at the Monthly Rate, determined by the Remarketing Agent no later than the Business Day before such Monthly Rate Period and thereafter on the last Business Day of each calendar month during such Monthly Rate Period. The Monthly Rate shall be the rate determined by the Remarketing Agent to be the lowest rate which would enable the Remarketing Agent to sell the Bonds for delivery on the effective date of such rate at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If the Remarketing Agent shall not have determined a Monthly Rate for any period by the time specified above, the Monthly Rate shall be the same as the Monthly Rate in effect for the immediately preceding month. In no event shall any Monthly Rate exceed the Interest Rate Limitation. Each Monthly Rate shall apply to the period commencing on the first Business Day of a calendar month immediately following the determination thereof and ending on the day before the first Business Day of the following calendar month; provided that a Monthly Rate Period may commence on a day other than the first Business Day of a month. The Remarketing Agent shall provide the Trustee and the Corporation with written, telephonic or Electronic notice of each Monthly Rate, as determined, by 11:30 a.m. (New York City time) on the Determination Date for such Monthly Rate.

(B) Conversion to a Monthly Rate Period. At any time the Corporation may, by written notice as provided in Section 4.01(a) of this Exhibit E, elect that any Bonds shall bear interest at a Monthly Rate, subject to rescission of such election as provided in Section 4.02 of this Exhibit E. The effective date of such Conversion to a Monthly

Rate shall be a Business Day and (a) in the case of a Conversion from a Term Rate Period, shall be a day on which the Bonds would be permitted to be redeemed at the option of the Corporation as provided in Section 5.02 hereof; (b) in the case of a Conversion from a Flexible Rate Period, shall be the day after the last day of the Flexible Segment from which the Conversion is to be made; and (c) in the case of a Conversion from an Auction Rate Period, shall be the day after the last day of an Auction Period applicable to such Bonds; provided, however, that if prior to the Corporation's making such election, any such Bonds shall have been called for redemption and such redemption shall not have theretofore been effected, the effective date of such Monthly Rate Period shall not precede such redemption date.

(iv) Term Rate.

(A) Determination of Term Rate. During each Term Rate Period for any Bonds, such Bonds shall bear interest at the Term Rate, which shall be determined by the Remarketing Agent on a Business Day selected by the Remarketing Agent, but not more than forty (40) days prior to and not later than the Business Day before the effective date of such Term Rate Period. The Term Rate shall be the rate determined by the Remarketing Agent on such date, and communicated by the close of business on such date to the Trustee, the Paying Agent and the Corporation, by written, telephonic or Electronic notice, as being the lowest rate which would enable the Remarketing Agent to sell the Bonds for delivery on the effective date of such Term Rate Period at a price (without regard to accrued interest) equal to 100% of the principal amount thereof; provided, however, that if, for any reason, a Term Rate for any Term Rate Period shall not be determined or effective or if an adjustment from a Term Rate Period to another Rate Period shall not be effective, the Rate Period for the Bonds shall be a Term Period of no more than one year and one day. In no event shall any Term Rate exceed the Interest Rate Limitation.

(B) Conversion to or Continuation of a Term Rate Period. At any time the Corporation may, by written notice as provided in Section 4.01(a) hereof, elect that any Bonds shall bear, or continue to bear, interest at a Term Rate, subject to rescission of such election as provided in Section 4.02 hereof. In connection with any such election the Corporation shall determine the duration of the Term Rate Period during which the Bonds shall bear interest at such Term Rate. Each Term Rate Period shall have a duration of any length greater than a calendar month which ends on the last day of a calendar month. At the time the Corporation so elects a Conversion to or continuation of a Term Rate Period, the Corporation may specify two or more consecutive Term Rate Periods and, if the Corporation so specifies, shall specify the duration of each such Term Rate Period as provided in this paragraph. The effective date of each Term Rate Period, shall be a Business Day and (a) in the case of a Conversion from or continuation of a Term Rate Period, shall be a day on which the Bonds would be permitted to be redeemed at the option of the Corporation as provided in Section 5.02 hereof; and (b) in the case of a Conversion from a Monthly Rate Period, shall be the first Business Day of a month; (c) in the case of a Conversion from a Flexible Rate



Period, shall be the day after the last day of the Flexible Segment from which the Conversion is to be made; and (d) in the case of a Conversion from an Auction Rate Period, shall be the day after the last day of an Auction Period applicable to such Bonds; provided, however, that if prior to the Corporation's making such election, any Bonds shall have been called for redemption and such redemption shall not have theretofore been effected, the effective date of such Term Rate Period shall not precede such redemption date.

If, by the thirty-fifth day prior to the last day of any Term Rate Period, the Trustee shall not have received notice of the Corporation's election pursuant to Section 4.01(a) hereof accompanied by appropriate Bond Counsel Opinion, if required by said Section 4.01(a), the next succeeding Rate Period for the Bonds shall be a Term Rate Period as provided in paragraph (A) above.

At the same time that the Corporation elects to have any Bonds bear interest at a Term Rate or continue to bear interest at a Term Rate, the Corporation may also specify to the Trustee optional redemption prices and periods different from those described in Section 5.02(e) hereof during the Term Rate Period(s) with respect to which such election is made (including that there be no such optional redemption); provided, however, that such notice shall be accompanied by a Bond Counsel Opinion to the effect that such changes will not adversely affect the Tax-Exempt status of interest on such Bonds.

(v) Flexible Rate.

(A) Determination of Flexible Segments and Flexible Rates. During each Flexible Rate Period, each Bond shall bear interest during each Flexible Segment for such Bond at the Flexible Rate for such Bond. Each Flexible Segment for any Bond shall be a period of at least one day but not more than 270 days or, if Credit Enhancement is in effect with respect to such Bonds, such lesser number of days of interest coverage on the Bonds provided for in such Credit Enhancement minus five (5) days. Each Flexible Segment for any Bond shall be a period determined by the Remarketing Agent to be, in its judgment, the period which, taking into account prevailing market conditions and all other Flexible Segments and Flexible Rates for all Bonds then Outstanding, is likely to result in the lowest overall net interest expense on all such Bonds; provided, however, that any such Bond purchased on behalf of the Corporation and remaining unsold in the hands of the Remarketing Agent as of 1:00 p.m. (New York City time) on the effective date of the Flexible Segment for such Bond shall have a Flexible Segment of one day or, if such Flexible Segment would not end on a day immediately preceding a Business Day, a Flexible Segment of more than one day ending on the day immediately preceding the next Business Day; provided, further, however, that (1) each Flexible Segment shall end on a day which immediately precedes a Business Day and no Flexible Segment shall extend beyond the day immediately preceding the Stated Maturity Date of the Bonds or, if Credit Enhancement is then in effect with respect to the Bonds, the scheduled Credit Enhancement

Expiration Date of such Credit Enhancement, and (2) if for any reason the Remarketing Agent fails or is unable to determine a Flexible Segment on any Bond, the Flexible Segment for such Bond shall be one day, unless such Flexible Segment would end on a day which does not precede a Business Day, in which case such Flexible Segment shall end on the day immediately preceding the next succeeding Business Day.

The Flexible Rate for each Flexible Segment for each Bond shall be the rate determined by the Remarketing Agent no later than 1:00 p.m. (New York City time) on the first day of such Flexible Segment to be the lowest rate which would enable the Remarketing Agent to sell such Bonds on the effective date of such rate at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. The Remarketing Agent shall provide the Trustee and the Corporation with telephonic or Electronic notice of each Flexible Rate and Flexible Term Segment by 1:00 p.m. (New York City time) on the date of determination. If a Flexible Rate for a Flexible Segment of one day is not determined or effective by 1:00 p.m. (New York City time) on such day, the Flexible Rate for such Flexible Segment of one day shall be equal to the TBMA Municipal Index as determined by the Remarketing Agent and communicated to the Trustee on such date. In no event shall the Flexible Rate for any Bond exceed the Interest Rate Limitation.

Notwithstanding the foregoing, in the event that notice of redemption with respect to any Bond in a Flexible Rate Period shall have been given to the holder of such Bond by the Trustee, no subsequent Flexible Segments or Flexible Rates shall be determined with respect to such Bond.

(B) Conversion to a Flexible Rate Period. At any time the Corporation may, by written notice as provided in Section 4.01(a) hereof, elect that any Bonds shall bear interest at Flexible Rates, subject to rescission of such election provided in Section 4.02 hereof. The effective date of the Flexible Rate Period during which the Bonds shall bear interest at Flexible Rates shall be a Business Day and (a) in the case of a Conversion from a Term Rate Period, shall be a day on which the Bonds would be permitted to be redeemed at the option of the Corporation as provided in Section 5.02 hereof; (b) in the case of a Conversion from a Monthly Rate Period, shall be the first Business Day of a month; and (c) in the case of a Conversion from an Auction Rate Period, shall be the day after the last day of an Auction Period applicable to such Bonds; provided, however, that if prior to the Corporation's making such election any Bonds shall have been called for redemption and such redemption shall not have theretofore been effected, the effective date of such Flexible Rate Period shall not precede such redemption date.

(C) Conversion from a Flexible Rate Period. At any time during a Flexible Rate Period for any Bonds, the Corporation may elect that the Bonds shall no longer bear interest at Flexible Rates and shall instead bear interest as otherwise permitted under the Indenture. The Corporation shall give notice of such election as provided in Section 4.01(a) and shall instruct the Remarketing Agent to (1) determine Flexible

Segments of such duration that, as soon as possible, all Flexible Segments shall end on the same date, as specified by the Corporation, and upon the establishment of such Flexible Segments the day next succeeding the last day of all such Flexible Segments shall be the effective date of the new Rate Period elected by the Corporation; or (2) determine Flexible Segments that will best promote an orderly transition to the next succeeding Rate Period to apply to the Bonds, beginning not earlier than fifteen (15) days following the delivery by the Corporation of such written notice. If the alternative in clause (2) above is selected, the day next succeeding the last day of the Flexible Segment for each Bond shall be with respect to such Bond the effective date of the Rate Period elected by the Corporation. The Remarketing Agent, promptly upon the determination thereof, shall give written notice of such last day and such effective dates to the Corporation and the Trustee. During any transitional period from a Flexible Rate Period to the next succeeding Rate Period in accordance with clause (2) above, the provisions of the Indenture shall be deemed to apply to the Bonds as follows: the Bonds continuing to bear interest at Flexible Rates shall have applicable to them the provisions theretofore applicable to such Bonds and the Bonds bearing interest in the Rate Period to which the Conversion is being made will have applicable to them the provisions of the Indenture applicable to such Rate Period.

### ARTICLE III [RESERVED]

### ARTICLE IV CONVERSION

Section 4.01. Conversion of Rate Period. The provisions of Exhibit A to the Supplemental Indenture apply to any Conversions of Bonds to an Auction Rate. The provisions of Article IV of this Exhibit E apply to all other Conversions of the Bonds, including, but not limited to, Conversions from an Auction Rate to a Non-Auction Rate. The interest rate on all or any portion of the Bonds may be converted from an Auction Rate to a Non-Auction Rate, from any Adjustable Rate to a different Adjustable Rate or a Fixed Rate, or from a Fixed Rate to an Adjustable Rate, as provided in Section 2.03 and in this Section, subject to Section 4.03; provided that both the principal amount of Bonds so converted and the principal amount of Bonds not so converted shall be in Authorized Denominations. Upon Conversion, the Corporation may designate a Class for the converted Bonds that is different from the Class applicable to such Bonds before the Conversion. The principal amount of Bonds to be so converted, and the Class designation of such Bonds if different from the Class designation before Conversion, shall be specified by the Corporation to the Trustee in the notice given pursuant to subsection (a) hereof, and the specific Bonds to be so converted shall be selected by the Trustee by lot unless otherwise directed by the Corporation. As used in this Section, the term "Bonds" refers only to the Bonds so converted.

(a) On any Conversion Date, the Bonds shall cease to bear interest at the rate for the Rate Period then applicable to such Bonds and shall bear interest at a rate for such different Rate Period as shall be specified by the Corporation in a written notice delivered to the Trustee, the Credit Provider, if any, and the Remarketing Agent (and to the Auction Agent and the Market Agent and the Securities Depository if such Change in the Interest Rate Mode is from an Auction Rate), in substantially the form attached hereto as, or containing substantially the information contained in, Appendix 1 hereto, not less than thirty (30) days before the Conversion Date in the case of Conversion from a Term Rate Period, or fifteen (15) days before the Conversion Date in the case of Conversion from any other Rate Period. If such Conversion (1) is from an Auction Rate Period or from a Term Rate Period of one year or more to an Adjustable Rate Period other than a Term Rate Period of one year or more, or (2) is from an Adjustable Rate Period other than a Term Rate Period of one year or more to a Term Rate Period of one year or more, such notice from the Corporation shall be accompanied by a Bond Counsel Opinion to the effect that such Conversion will not adversely affect the Tax Exempt status of interest on the Bonds.

(b) The Trustee shall mail to the Bondowners the notice received pursuant to subsection (a) of this Section on or before the second Business Day after receipt thereof.

(c) A Conversion shall be effective pursuant to this Section only if:

(i) With respect to any Conversion, the Trustee (and, if the Conversion is from an Auction Rate, the Auction Agent and the Market Agent) shall receive from the Corporation, by 4:00 p.m. New York City time on the Conversion Date, a certificate in substantially the form attached hereto as, or containing substantially the information contained in, Appendix 8 hereto, to the effect that all of the Bonds tendered or deemed tendered have been purchased at a price equal to the principal amount thereof plus accrued interest, if any, with funds provided from the remarketing of such Bonds in accordance with the Remarketing Agreement or with the proceeds of the Credit Enhancement.

(ii) With respect to any Conversion to a Variable Rate, (A) a Credit Enhancement meeting the requirements of Article VI hereof shall have been delivered to the Trustee not less than one Business Day prior to the Conversion Date and shall be, by its terms, in effect not later than such Conversion Date; and (B) the Trustee (and, if the Conversion is from an Auction Rate, the Auction Agent) shall receive a certificate of the Corporation by no later than the tenth day prior to the Conversion Date stating that the Corporation and a Remarketing Agent have entered into a written agreement to remarket the Bonds on such effective date at a price of not less than 100% of the principal amount thereof.

If the condition referred to in (ii) above is not met with respect to any Conversion from an Auction Rate, the Auction Rate for the next succeeding Auction Period shall

be determined pursuant to the Auction Procedures set forth in Exhibit A to the Supplemental Indenture. If any condition referred to in (c)(i) above is not met with respect to any Conversion from an Auction Rate, the Auction Rate for the next succeeding Auction Period shall be equal to the Maximum Auction Rate as determined on such Auction Date, all as set forth in Exhibit A to the Supplemental Indenture. If any of the conditions referred to above is not met with respect to any other Conversion, then the Rate Period for the Bonds shall continue to be the same Rate Period as in effect immediately before such Conversion; provided that, if the Conversion was to be from a Term Rate Period, the Rate Period for the Bonds shall be a Term Rate of no more than one year and one day. If a Daily Rate for the first day of such Daily Rate Period is not determined as provided in Section 2.03(i)(A), the Daily Rate for the first day of such Daily Rate Period shall be equal to the TBMA Municipal Index as determined by the Remarketing Agent and communicated to the Trustee on such date. If any of the foregoing conditions for a Conversion other than with respect to a Conversion from an Auction Rate is not met, the Trustee shall mail to the Corporation, the Credit Provider, if any, and the Bondowners notice thereof in substantially the form attached hereto as, or containing substantially the information contained in, Appendix 9 hereto within three (3) Business Days after the failure to meet any of such conditions.

Section 4.02. Rescission of Election. Notwithstanding anything in the Indenture to the contrary, the Corporation may rescind any election by it to adjust or continue a Rate Period as provided in Sections 2.03 and 4.01 prior to the effective date of such adjustment or continuation by giving written notice thereof to the Trustee and the Remarketing Agent prior to such effective date, in substantially the form attached hereto as, or containing substantially the information contained in, Appendix 10 hereto. If the Trustee receives notice of such rescission prior to the time the Trustee has given notice to the holders of the Bonds as provided in Section 4.01(b), then the notice of adjustment or continuation previously delivered by the Corporation shall be of no force and effect. If the Trustee receives notice from the Corporation of rescission of an adjustment to or continuation of a Rate Period after the Trustee has given notice to the holders of the Bonds as provided in Section 4.01(b), then the Rate Period in effect immediately before such adjustment or continuation for the Bonds shall continue in effect, provided that, if such Rate Period was a Term Rate Period, then the Rate Period for the Bonds shall automatically adjust to a Term Rate Period of not more than one year and one day on the date originally scheduled for such adjustment or continuation. If a Daily Rate for the first day of such Daily Rate Period is not determined as provided in Section 2.03(i)(A), the Daily Rate for the first day of such Daily Rate Period shall be equal to the TBMA Municipal Index as determined by the Remarketing Agent and communicated to the Trustee on such date.

Section 4.03. Conversion in Lieu of Optional Redemption. At any time the Bonds are subject to optional redemption as provided in Section 5.02 or in any Supplemental Indenture, the Corporation may determine to adjust the Rate Period on the Bonds to a different Rate Period. The Bonds shall be subject to mandatory purchase as provided in Section 5.04 at a purchase price equal to the principal of the

Bonds, plus any redemption premium which would apply as provided in Section 5.02, plus accrued interest. Any remarketing of the Bonds in the new Rate Period shall require that a Remarketing Agent and Tender Agent be appointed pursuant hereto. The applicable mandatory tender date shall be any date that optional redemption would be permitted.

## ARTICLE V REDEMPTION AND TENDER OF BONDS

Section 5.01. Provisions for Redemption. The Bonds shall be subject to redemption by or on behalf of the Corporation prior to maturity at the times and at the prices as provided in Article VI of the Supplemental Indenture and shall be subject to optional redemption as provided in Section 5.02 hereof.

Section 5.02. Optional Redemption. In addition to any redemptions described in Section 5.01 hereof, the Bonds shall be subject to redemptions at such times, for such prices, and under such circumstances as the Corporation may determine following any Conversion of the Bonds. The Corporation shall include the times, prices, and circumstances for any such redemption in the notice it provides to the Trustee under Section 4.01(a) hereof in connection with the Conversion, and such time, prices, and circumstances shall be annexed to and become part of this Exhibit E upon such Conversion; provided that there is accompanied with such notice to the Trustee a Bond Counsel Opinion to the effect that such redemption provision will not adversely affect the tax-exempt status of the Bonds.

### Section 5.03. Tender for Purchase Upon Election of Owner.

(a) During any Daily Rate Period, any Bond or portion thereof in an Authorized Denomination shall be purchased on any Business Day at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the Purchase Date, payable in immediately available funds, upon (1) delivery by the holder or Beneficial Owner of such Bond to the Tender Agent, the Trustee and the Remarketing Agent, each at its Principal Office, by no later than 10:30 a.m. (New York City time) on the Purchase Date, of an irrevocable notice by telephone (promptly confirmed in writing) or written or Electronic Notice of Election to Tender in substantially the form attached hereto as, or containing substantially the information contained in, Appendix 2 hereto, which states the principal amount of such Bond to be tendered for purchase and the Purchase Date, and (2) delivery of such Bond tendered for purchase to the Tender Agent on the Purchase Date in accordance with the provisions of Section 5.05.

(b) During any Weekly Rate Period, any Bond or portion thereof in an Authorized Denomination shall be purchased on any Business Day at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the Purchase Date, payable in immediately available funds, upon (1) delivery by the holder

or Beneficial Owner of such Bond to the Tender Agent, the Trustee and the Remarketing Agent, each at its Principal Office, of an irrevocable notice by telephone (promptly confirmed in writing) or written or Electronic Notice of Election to Tender in substantially the form attached hereto as, or containing substantially the information contained in, Appendix 2 hereto, by 5:00 p.m. (New York City time) on any Business Day at least seven (7) days prior to the Purchase Date, which states the principal amount of such Bond to be tendered for purchase and the Purchase Date, and (2) delivery of such Bond to the Tender Agent on the Purchase Date in accordance with the provisions of Section 5.05.

(c) During any Monthly Rate Period, any Bond or portion thereof in an Authorized Denomination shall be purchased on the first Business Day of any month at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the Purchase Date, payable in immediately available funds, upon (1) delivery by the holder or Beneficial Owner of such Bond to the Tender Agent, the Trustee and the Remarketing Agent, each at its Principal Office of an irrevocable notice by telephone (promptly confirmed in writing) or written or Electronic Notice of Election to Tender in substantially the form attached hereto as, or containing substantially the information contained in, Appendix 2 hereto, by 5:00 p.m. (New York City time) on any Business Day at least ten (10) days prior to the Purchase Date, which states the principal amount of such Bond to be tendered for purchase and the Purchase Date, and (2) delivery of such Bond to the Tender Agent on the Purchase Date in accordance with the provisions of Section 5.05.

(d) Any Bond or portion thereof in an Authorized Denomination shall be purchased on the first day of any Term Rate Period which is preceded by a Term Rate Period of the same duration at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the Purchase Date, payable in immediately available funds, upon (1) delivery by the holder or Beneficial Owner of such Bond to the Tender Agent, the Trustee and the Remarketing Agent, each at its Principal Office, of an irrevocable notice by telephone (promptly confirmed in writing) or written or Electronic Notice of Election to Tender in substantially the form attached hereto as, or containing substantially the information contained in, Appendix 2 hereto, by 5:00 p.m. (New York City time) on any Business Day at least fifteen (15) days prior to the Purchase Date, which states the principal amount of such Bond to be tendered for purchase and the Purchase Date, and (2) delivery of such Bond to the Tender Agent on the Purchase Date in accordance with the provisions of Section 5.05.

(e) If any Bond is to be purchased in part as described in (a), (b), (c) or (d) above, the amount so purchased and the amount not so purchased must each be an Authorized Denomination.

(f) Any instrument delivered to the Tender Agent, the Trustee and the Remarketing Agent in accordance with the foregoing provisions shall be irrevocable with respect to the purchase for which such instrument was delivered and shall be

binding upon any subsequent Bondholder or Beneficial Owner of the Bond to which it relates, including any Bond issued in exchange therefor or upon the registration of transfer thereof, and as of the date of such instrument, the holder or Beneficial Owner of the Bonds specified therein shall not have any right to tender such Bonds for purchase prior to the date of purchase specified in such notice. The Tender Agent, the Trustee and the Remarketing Agent may conclusively assume that any person (other than a holder) providing notice of optional tender as described in (a), (b), (c) or (d) above is the Beneficial Owner of the Bond to which such notice relates, and neither the Tender Agent, the Trustee nor the Remarketing Agent shall assume any liability in accepting such notice from any person whom it reasonably believes to be a Beneficial Owner of Bonds.

Section 5.04. Mandatory Tender for Purchase.

(a) The Bonds shall be subject to mandatory tender for purchase at a purchase price, except as described in (b) below, equal to 100% of the principal amount thereof, plus accrued interest to the Purchase Date described below, upon the occurrence of any of the events stated below:

(1) as to any Bond, on any Conversion Date for such Bond, other than (a) the effective date of any Conversion from a Daily Rate Period to a Weekly Rate Period or from a Weekly Rate Period to a Daily Rate Period or (b) the effective date of any Term Rate Period which was preceded by a Term Rate Period of the same duration; or

(2) as to each Bond in a Flexible Rate Period, on the day next succeeding the last day of each Flexible Segment with respect to such Bond; or

(3) as to all Bonds, on any Credit Enhancement Expiration Date (in which event, the purchase price of each Bond shall, to the extent not paid from proceeds of remarketing thereof, be paid from amounts received pursuant to the Credit Enhancement then in effect with respect to such Bond, and such Credit Enhancement shall not be surrendered until an amount sufficient to pay such purchase price shall have been received by the Trustee pursuant thereto); or

(4) as to any Bonds, on any date at least fifteen (15) days after the Trustee has given notice thereof pursuant to notice from the Corporation that any rating agency then rating such Bonds shall no longer be deemed to be a Rating Agency for purposes of the Indenture; provided that the date of such mandatory tender, (i) in the case of Bonds bearing interest at an Auction Rate, shall be the day after the last day of an Auction Period; (ii) in the case of Bonds bearing interest at a Monthly Rate, shall be the first Business Day of a month; (iii) in the case of Bonds bearing interest at a Term Rate, shall be the day after



the last day of a Term Rate Period; and (iv) in the case of Bonds bearing interest at a Flexible Rate, shall be the day after the last day of a Flexible Segment.

(b) RESERVED

(c) The Trustee shall give notice by first class mail of any mandatory tender pursuant to clause (a)(3) or (a)(4) above to the holders of the Bonds at their addresses shown on the registration books kept by the Trustee, not later than the fifteenth day (thirtieth day if the then current Rate Period is a Term Rate Period) prior to the date on which the Bonds are subject to mandatory tender as provided in said clause (a)(3) or (a)(4), which notice shall be in the form of Appendix 3 hereto and shall (i) state the Credit Enhancement Expiration Date or effective date of a change in Rating Agency; and (ii) state that such Bonds shall be subject to mandatory tender for purchase on such date in accordance with such provisions.

Section 5.05. Delivery of Tendered Bonds. With respect to any Book-Entry Bond, delivery of such Bond to the Tender Agent in connection with any optional or mandatory tender as provided in Section 5.03 or 5.04 shall be effected by the making of, or the irrevocable authorization to make, appropriate entries on the books of the Securities Depository or a participant thereof to reflect the transfer of the beneficial ownership interest in such Bond to the account of the Tender Agent, or to the account of a Securities Depository participant acting on behalf of the Tender Agent. With respect to any Bond which is not a Book-Entry Bond, delivery of such Bond to the Tender Agent in connection with any optional or mandatory tender as provided in Section 5.03 or 5.04 shall be effected by physical delivery of such Bond to the Tender Agent at its Principal Office, by 1:00 p.m. (New York City time) on the Purchase Date, accompanied by an instrument of transfer thereof, in a form satisfactory to the Tender Agent, executed in blank by the holder thereof with the signature of such holder guaranteed in accordance with the guidelines set forth by one of the nationally recognized medallion signature programs.

Section 5.06. Bonds Deemed Purchased.

(a) If moneys sufficient to pay the purchase price of Bonds to be purchased as provided in Section 5.03 or 5.04 shall be held by the Tender Agent on the date such Bonds are to be purchased, such Bonds shall be deemed to have been purchased for all purposes of the Indenture, irrespective of whether or not such Bonds shall have been delivered to the Tender Agent, and neither the former holder of such Bonds nor any other person shall have any claim thereon, under the Indenture or otherwise, for any amount other than the purchase price thereof.

(b) In the event of non-delivery of any Bond to be purchased as provided in Section 5.03 or 5.04 (an "Undelivered Bond"), the Tender Agent shall segregate and hold uninvested the moneys for the purchase price of such Bond in trust, without liability for interest thereon, for the benefit of the former holder of such Bond, who shall, except

as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the purchase price of such Bond. Any moneys which the Tender Agent shall segregate and hold in trust for the payment of the purchase price of any Undelivered Bond and remaining unclaimed for two (2) years after the date of purchase shall be paid, upon the Corporation's written request, to the Corporation. After the payment of such unclaimed moneys to the Corporation, the former holder of such Bond shall look only to the Corporation for the payment thereof

(c) The Trustee shall, as to any Undelivered Bonds, (i) promptly notify the Remarketing Agent by telephonic notice confirmed by mail of such nondelivery, and (ii) place a stop transfer against an appropriate amount of such Bonds registered in the name of the owner(s). Such stop transfer shall commence with the lowest serial number registered in the name of such owner(s), until stop transfers have been placed against an appropriate amount of Bonds. Such stop transfers shall end when the Undelivered Bonds are delivered to the Trustee or its designated agent for such purposes. Upon such delivery, the Trustee shall make any necessary adjustments to the registration books of the Trustee.

## ARTICLE VI CREDIT ENHANCEMENT

Section 6.01. Credit Enhancement--General. The Corporation shall maintain a Credit Enhancement with respect to the Bonds during any Variable Rate Period except any Auction Rate Period. A Credit Enhancement must be in effect not later than any Conversion to any Variable Rate except an Auction Rate. If at any time the Corporation obtains a Credit Enhancement with respect to the Bonds which were previously not entitled to the benefit thereof, the Corporation shall submit such Credit Enhancement to each Rating Agency for the purposes of obtaining a rating on such Bonds. The Trustee shall be furnished with any Credit Enhancement obtained pursuant to this Section together with evidence of any rating or ratings obtained on the Bonds in connection therewith. The Trustee shall maintain separate accounts with respect to each Credit Enhancement and shall assure that amounts received pursuant to such Credit Enhancement shall be applied only to payments on the Bonds supported by such Credit Enhancement.

Any Credit Provider not located in New York State shall provide the Trustee with a list of holidays on which it is closed through the next succeeding January 1 at the beginning of the term of such Credit Enhancement and by January 1 of each year thereafter.

### Section 6.02. Renewal Credit Enhancement; Alternate Credit Enhancement.

(a) So long as any Bonds shall bear interest at a Variable Rate other than an Auction Rate, an alternate Credit Enhancement, or a renewal of the existing Credit Enhancement, together with evidence of the rating assigned to the Bonds as a result

thereof, shall be delivered to the Trustee not later than a Business Day which is at least 20 days (35 days if the then current Rate Period is a Term Rate Period) prior to the date on which the Bonds are, or in the absence of such delivery would be, subject to mandatory tender as provided in Section 5.04(a)(3). The Corporation may at any time arrange for the deposit with the Trustee of an alternate Credit Enhancement, subject to the terms of the existing Credit Enhancement; provided that the alternate Credit Enhancement and the notices of rating (referred to below) relating to the issuance of the alternate Credit Enhancement are received by the Trustee. Any renewal or alternate Credit Enhancement shall be in a form acceptable to the Trustee and shall be issued by a Credit Provider acceptable to the Corporation. In addition to the terms specified therein, the termination date of such alternate Credit Enhancement shall be a date not earlier than (i) the issuance of a subsequent alternate Credit Enhancement, (ii) payment in full of the outstanding Bonds supported by such Credit Enhancement, or (iii) a Conversion to an Auction Rate or to a Long-Term Rate.

The Trustee shall promptly furnish written notice of any substitution of the Credit Enhancement, together with notice of each rating assigned to the Bonds in connection with such substitution, to the owners of the Bonds not later than five (5) days after receipt by the Trustee of the alternate Credit Enhancement.

## ARTICLE VII MARKETING PARTIES

Section 7.01. Reserved.

Section 7.02. Reserved.

Section 7.03. Reserved.

Section 7.04. Remarketing Agent. Upon the issuance of any Bonds bearing interest at an Adjustable Rate other than Auction Rates, or upon Conversion of any Bonds to an Adjustable Rate Period other than an Auction Rate Period, the Corporation shall appoint a Remarketing Agent to serve as such under the terms and provisions hereof and of the Remarketing Agreement. The Remarketing Agent appointed pursuant hereto shall be a member of the National Association of Securities Dealers, Inc. having a combined capital, surplus and undivided profits of at least \$15,000,000, and be authorized by law to perform all the duties imposed upon it by this Indenture and the Remarketing Agreement. The Remarketing Agent may be removed at any time by an instrument, signed by the Corporation and filed with the Trustee, provided that such removal shall not take effect until the appointment of a successor Remarketing Agent. The Remarketing Agent may resign upon 30 days' written notice delivered to the Corporation and the Trustee. The Corporation shall appoint a successor Remarketing Agent effective as of the effectiveness of any such resignation or removal. Each successor Remarketing Agent shall be a qualified institution selected by the

Corporation and, so long as Credit Enhancement is in effect, approved by the applicable Credit Provider.

Section 7.05. Tender Agent.

(a) Upon the issuance of any Bonds bearing interest at an Adjustable Rate other than Auction Rates, or upon Conversion of any Bonds to an Adjustable Rate Period other than an Auction Rate Period, the Corporation shall appoint a Tender Agent to serve as agent for the Trustee in connection with the tender of Bonds and shall receive from such Tender Agent an instrument accepting its duties hereunder. Each Tender Agent shall be a bank or trust company duly organized under the laws of the United States of America or any state or territory thereof having its principal place of business in the Borough of Manhattan, in The City of New York (or such other location as may be approved by the Trustee and the Corporation), having a combined capital stock, surplus and undivided profits of at least \$15,000,000, and authorized by law to perform all the duties imposed upon it hereunder. In the absence of bad faith or negligence on its part, the Tender Agent shall not be liable for any action taken, suffered or omitted or for any error of judgment made by it in the performance of its duties hereunder and shall not be liable for any error of judgment made in good faith unless the Tender Agent shall have been negligent in ascertaining (or failing to ascertain) the pertinent facts.

(b) The Tender Agent may at any time resign and be discharged of the duties and obligations created hereby by giving at least 90 days' notice to the Trustee, the Remarketing Agent and the Corporation. The Tender Agent may be removed at any time by the Trustee upon the written direction of the Corporation or the Owners of two-thirds in aggregate principal amount of the Bonds then Outstanding, and if by such Owners, by an instrument signed by such Owners or their attorneys and, in each case, filed with the Tender Agent, the Corporation and the Trustee upon at least 30 days' notice. Neither resignation nor removal of the Tender Agent pursuant to the preceding two sentences shall be effective until and unless a successor Tender Agent has been appointed and has accepted such appointment. If the Tender Agent shall resign or be removed or be dissolved, or if the property or affairs of the Tender Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, the Corporation shall use its best efforts to appoint a successor Tender Agent and shall act as Tender Agent until such appointment.

Section 7.06. Other Marketing Parties. Any Supplemental Indenture may provide for the appointment of any additional Marketing Parties which may be appropriate in connection with such the terms of the Bonds issued pursuant thereto; may provide for the qualifications, functions, duties, resignation, removal or replacement thereof; and may provide that any such functions or duties include any functions or duties otherwise set forth herein to be performed by the Trustee or by different Marketing Parties.

## ARTICLE VIII AMENDMENT

Section 8.01. Amendment of this Exhibit. The provisions of Article VIII of the Indenture govern all amendments to this Exhibit.

Section 8.02. Consent of Marketing Parties. In addition to any consent of any party required by Article VIII of the Indenture, no provision of this Exhibit A which affects any rights or obligations of any Marketing Party shall be modified without the written consent of such Marketing Party.

## APPENDIX 1

### ALASKA STUDENT LOAN CORPORATION EDUCATION LOAN REVENUE BONDS SENIOR SERIES 2006A-1

#### NOTICE OF CONVERSION AND MANDATORY TENDER

Notice is hereby given to the registered owners of the above captioned issue (the "Bonds") of the Alaska Student Loan Corporation (the "Corporation") that:

1. In accordance with the Trust Indenture of the Corporation, dated as of June 1, 2002, as supplemented (the "Indenture"), subject to the conditions hereinafter set forth, if any, the interest rate on the Bonds will be changed to a \_\_\_\_\_ Rate for a \_\_\_\_\_ Rate Period beginning on \_\_\_\_\_ (the "Effective Date").

2. The Bonds are subject to mandatory purchase on the Effective Date at a purchase price equal to the principal amount thereof plus accrued interest.

3. Such Conversion shall take effect only if the conditions set forth in the Indenture are satisfied. [Insert the following with respect to any change from an Auction Rate: If such conditions are not met, the Auction Rate for the next succeeding Auction Period shall be established in accordance with the procedures set forth in the Indenture.] [Insert the following with respect to any other Conversion: If such conditions are not met, the Bonds shall continue to bear interest at the Adjustable Rate then in effect and be subject to the provisions of the Indenture applicable while the Bonds bear interest at such Adjustable Rate.]

4. Registered owners of Bonds are required to deliver their Bonds to the Trustee no later than [Trustee to insert proper time], New York City time, on the Effective Date at the office of the Trustee referred to above, endorsed in blank by the registered owner thereof or accompanied by an instrument of transfer thereof in form satisfactory to the Trustee executed for transfer in blank by the registered owner thereof (the Trustee being able to refuse to make payment with respect to any such Bond not endorsed in blank or for which an instrument of transfer satisfactory to it has not been provided).

5. Each registered owner of Bonds who has properly tendered such Bonds in accordance with the above provisions will be paid the purchase price therefor on the Effective Date and if such purchase price, plus interest accrued to the Effective Date which will be paid to such registered owner in accordance with the Indenture, is paid, such registered owner shall have no further rights with respect to said Bonds.

6. With respect to any registered owner of Bonds who has not properly tendered such Bonds in accordance with the above provisions of this notice, (A) such registered owner's Bonds will be deemed tendered and purchased on the Effective Date at a purchase price equal to the principal amount thereof, (B) such registered owner will be paid interest on such Bonds on the Effective Date as provided in the Indenture and will be paid the purchase price for such Bonds upon the tender of such Bonds to the Trustee and (C) such Bonds shall, on and after the Effective Date, cease to accrue interest and after the Effective Date such registered owner will have no rights with respect to such Bonds except the right to receive payment of the purchase price equal to the principal amount thereof (without interest thereon from and after the Effective Date) upon tender of such Bonds to the Trustee.

7. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Indenture.

Dated:\_\_\_\_\_

ALASKA STUDENT LOAN CORPORATION

By:\_\_\_\_\_

Authorized Officer

## APPENDIX 2

### ALASKA STUDENT LOAN CORPORATION EDUCATION LOAN REVENUE BONDS SENIOR SERIES 2006A-1

#### NOTICE OF ELECTION TO TENDER

[Tender Agent], as Tender Agent  
New York, New York

[Remarketing Agent], as Remarketing Agent  
New York, New York

[Trustee], as Trustee  
Seattle, Washington

Note: The substance of this notice must be given to the Remarketing Agent by telephone at (\_\_\_\_) \_\_\_\_\_ at or prior to the time this Notice must be delivered to the Tender Agent, the Remarketing Agent, and the Trustee.

1. The undersigned, \_\_\_\_\_, owner of the following Bonds:

Bond Number

Principal Amount Tendered

hereby notifies you of its election to tender such Bonds for purchase on [\_\_\_\_\_, \_\_\_\_\_] (which date shall be a Business Day (as defined in the Indenture), and (a) if such Bonds bear interest at a Daily Rate, shall be a Business Day not earlier than the day after the delivery of this notice to the Tender Agent, the Trustee and the Remarketing Agent no later than 10:30 a.m., New York City time, on a Business Day; and (b) if such Bonds bear interest at a Weekly Rate, shall be a Business Day not earlier than the seventh (7th) day after the date of delivery of this notice to the Tender Agent and the Remarketing Agent; and (c) if such Bonds bear interest at a Monthly Rate, shall be the first Business Day of a month not earlier than the tenth (10th) day after the date of delivery of this Notice to the Tender Agent and the Remarketing Agent; and (c) if such Bonds bear interest at a Term Rate, shall be the first day of a Term Rate Period not earlier than the fifteenth (15th) day after the date of delivery of this Notice to the Tender Agent and the Remarketing Agent.

2. If only a portion of a Bond is being tendered, both the tendered portion and untendered portion must be authorized denominations.



3. After its execution and delivery to you, this notice will be irrevocable.

4. The person or persons to whom or to whose order the proceeds of the purchase of the above referenced Bonds are to be paid, its or their taxpayer identification number or numbers and the address or addresses of such payee or payees is \_\_\_\_\_; which information the undersigned, under the penalties of perjury, certifies to be true, correct and complete.

5. The undersigned hereby undertakes to deliver the Bonds to the Tender Agent no later than 1:00 p.m., New York City time, at the office of the Tender Agent located at \_\_\_\_\_, endorsed in blank for transfer or accompanied by an instrument of transfer executed in blank for transfer and acknowledges that any instrument of transfer must in form be satisfactory to the Trustee and that the Trustee may refuse to make payment with respect to any Bond not endorsed in blank or for which an instrument of transfer satisfactory to the Trustee has not been provided.

6. The undersigned hereby also assigns and transfers and directs the Trustee to transfer the Bonds delivered in connection herewith to the appropriate party under the terms and conditions contained in the Indenture pursuant to which the Bonds have been issued.

7. The undersigned acknowledges that in the event of a failure to deliver the Bonds or in the event such Bonds are not properly delivered, such Bonds shall nevertheless be deemed tendered and purchased on the date referred to in 1 above, no interest shall accrue thereon to the undersigned from and after such date of purchase and that the undersigned shall have no rights under the Bonds or under the Indenture except the right to receive the purchase price of the Bonds.

8. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Trust Indenture of the Alaska Student Loan Corporation, dated as of June 1, 2002, as supplemented (the "Indenture").

Dated: \_\_\_\_\_

Name of Owner as it is written on the face of the above listed Bonds in every particular, without alteration, enlargement or any change whatsoever

\_\_\_\_\_

Witness

\_\_\_\_\_

### APPENDIX 3

#### ALASKA STUDENT LOAN CORPORATION EDUCATION LOAN REVENUE BONDS SENIOR SERIES 2006A-1

#### NOTICE OF MANDATORY TENDER

Notice is hereby given to the registered owners of the above captioned issue (the "Bonds") of the Alaska Student Loan Corporation (the "Corporation") that:

1. In accordance with the provisions of the Trust Indenture of the Corporation dated as of June 1, 2002, as supplemented (the "Indenture"), notice is hereby given that [the \_\_\_\_\_ (the "Credit Enhancement") issued by \_\_\_\_\_ with respect to the Bonds (the "Credit Provider") will terminate on \_\_\_\_\_,] [as of \_\_\_\_\_, \_\_\_\_\_ will no longer be deemed to be the Rating Agency for the Bonds pursuant to the Indenture] and that all Bonds, other than Bonds held by or for the account of the Corporation or the Credit Provider, are subject to mandatory purchase as hereinafter set forth at a purchase price equal to the principal amount thereof.

2. The Bonds are subject to mandatory tender for purchase on \_\_\_\_\_ (the "Mandatory Tender Date").

3. All registered owners of Bonds are required to deliver their Bonds to the Trustee on the Mandatory Tender Date at the office of the Trustee located at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ endorsed in blank by the registered owner thereof or accompanied by an instrument of transfer thereof in form satisfactory to the Trustee executed in blank by the registered owner thereof (the Trustee being able to refuse to make payment with respect to any such Bond not endorsed in blank or for which an instrument of transfer satisfactory to it has not been provided).

4. Each registered owner of Bonds who has properly tendered such Bonds in accordance with the above provisions will be paid the purchase price therefor, plus interest to the Mandatory Tender Date, which will be paid to such registered owner in accordance with the Indenture, and if such purchase price and interest is paid, such registered owner shall have no further rights with respect to said Bonds.

5. With respect to any registered owner of Bonds who has not properly tendered such Bonds in accordance with the above provisions of this notice, (A) such registered owner's Bonds will nevertheless be deemed tendered and purchased on the Mandatory Tender Date at a purchase price equal to the principal amount thereof, (B) such registered owner will be paid interest on such Bonds on the Mandatory Tender Date as

provided in the Indenture and will be paid the purchase price for such Bonds upon the tender of such Bonds to the Trustee and (C) such Bonds shall, after the Mandatory Tender Date, cease to accrue interest and after the Mandatory Tender Date such registered owner will have no rights with respect to such Bonds except the right to receive payment of the purchase price (without interest thereon from and after the Mandatory Tender Date) upon tender of such Bonds to the Trustee.

6. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Indenture.

Dated: \_\_\_\_\_

ALASKA STUDENT LOAN CORPORATION

By: \_\_\_\_\_  
Authorized Officer

## APPENDIX 4

### RESERVED

APPENDIX 5  
RESERVED

APPENDIX 6  
RESERVED

APPENDIX 7  
RESERVED

APPENDIX 8

ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BONDS  
SENIOR SERIES 2006A-1

NOTICE OF PURCHASE UPON CONVERSION

NOTICE IS HEREBY GIVEN that with respect to a Conversion pursuant to the Trust Indenture of the Alaska Student Loan Corporation, dated as of June 1, 2002, as supplemented (the "Indenture"), all of the Bonds tendered or deemed tendered have been purchased at a price equal to the principal amount thereof with funds provided from the remarketing of such Bonds in accordance with the Remarketing Agreement or from the proceeds of the Credit Enhancement. Terms used herein have the meanings assigned thereto in the Indenture.

Dated: \_\_\_\_\_

ALASKA STUDENT LOAN CORPORATION

By: \_\_\_\_\_  
Authorized Officer



APPENDIX 9

ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BONDS  
SENIOR SERIES 2006A-1

NOTICE OF FAILURE OF CONDITIONS

NOTICE IS HEREBY GIVEN that the conditions for effecting a Conversion to a Rate Period have not been met.

The above captioned Bonds will therefore bear interest at a Daily Rate and be subject to the provisions of the Indenture applicable to such Rate Period, beginning on \_\_\_\_\_, and the holders thereof shall have the right to tender such Bonds for purchase upon one Business Day's notice.

Dated: \_\_\_\_\_

[TRUSTEE]

By: \_\_\_\_\_  
Authorized Officer

APPENDIX 10

ALASKA STUDENT LOAN CORPORATION  
EDUCATION LOAN REVENUE BONDS  
SENIOR SERIES 2006A-1

NOTICE OF RESCISSION OF CONVERSION

NOTICE IS HEREBY GIVEN that the election to effect a Conversion to a \_\_\_\_\_  
Rate Period has been rescinded.

The above captioned Bonds will therefore bear interest at a Daily Rate and be  
subject to the provisions of the Indenture applicable to such Rate Period, beginning on  
\_\_\_\_\_, and the holders thereof shall have the right to tender such Bonds  
for purchase upon one Business Day's notice.

Dated: \_\_\_\_\_

[TRUSTEE]

By: \_\_\_\_\_  
Authorized Signatory